

Multi-Corporate Variable Annuity Setup No Longer Seen As SEC Goal

WASHINGTON—Variable annuity company executives believe that as a result of further conferences with Securities & Exchange Commission officials it will be possible to set up a variable annuity insurer as a single corporation. At one time it seemed that the SEC was going to insist on a four-corporation group to comply with the Supreme Court decision holding that variable annuity insurers are subject to SEC control. Later the number was reduced to two, but this would still have produced an undeniably complex setup. More than that, it would have fastened upon variable annuity insurers too much of the character of a mutual fund. This might have adversely affected variable annuities' status as insurance under the recently enacted life company income tax law.

As the result of conferences with the SEC, Variable Annuity Life of Washington, D.C., has submitted a list of requested exemptions from the in-

vestment companies act of 1940, in the belief that these exemptions embody the conclusions arrived at informally in conferences with SEC staff members. If the exemptions receive the formal approval of the staff members, they will go to the commissioners for approval. An abridged version of the requested exemptions follows.

VALIC requests that exemption be granted from the following provisions of the 1940 act in the manner and for the reasons stated below:

Sections 7 and 8. As noted, applicant establishes and maintains reserves with respect to the variable

annuity contracts which it issues. However, applicant does not designate specific assets to which variable annuity contract holders must look for their protection, and all assets of the company are available to meet all its obligations.

Accordingly, applicant does not consider that there is created within applicant a "fund" or other entity relating to the variable annuity contracts which can properly be designated an investment company within the meaning of the 1940 act. However, to the extent that the manner in which applicant conducts its variable annuity operations may be deemed to give rise to such a fund or other entity, it is requested that exemption from the requirements of sections 7 and 8 of the act be granted with respect to such fund or entity.

Section 9(a)(2) and (3). Exemption is requested from these provisions insofar as necessary to insure that any
(CONTINUED ON PAGE 28)

HIGH CASH VALUE CURB

Seek LIA Help To Clarify New N. Y. Regulations

NEW YORK—Some of the life companies that are concerned about unclear provisions in the New York department's recently issued regulations restricting high early cash value policies and minimum deposit plans are trying to persuade Life Insurance Assn. of America to seek clarification from the department on behalf of the industry.

LIA has refrained from acting for the industry on the ground that there is a definite division in its membership as respects the issuance of high early cash value policies and the minimum deposit plans that depend on these policies. However, those who want the association to carry the ball in dealing with the New York department point out that there is much more involved than just the question of curbs on minimum deposit and high early cash values, because the rules the department has laid down in regulation 39 could, depending on the official interpretation put on them by the department, affect policies and provisions having nothing to do with high cash values or minimum deposit.

Fifth Dividend Option

For example, the wording of regulation 39 covering the so-called fifth dividend option might impose restrictions on certain "special" policies that were understood not to be the target of the department's curbs but which might be if the language is applied literally.

Those who seek LIA's cooperation believe it is in the interest of the companies generally to get the regulation interpreted officially by the department and that LIA could represent the industry without putting itself in the middle between the friends and foes of high cash value and minimum deposit.

N. J. Commissioner Gunning For High Cash Value Policy

TRENTON—Commissioner Howell of New Jersey has stated that he favors restrictions on high early cash value policies, along the lines of curbs recently announced by the New York department and made effective as of Nov. 1.

Mr. Howell said he would like to see the minimum deposit type of sale, which uses high early cash value policies, banned altogether in New Jersey or else have the high value policy
(CONTINUED ON PAGE 24)

What Should LIA Do When It Is Split On Policy Matters?

Committee To Seek Better Procedures For Use When United Front Is Lacking

NEW YORK—Seeking a more effective way of dealing with those unhappy situations in which Life Insurance Assn. of America finds it can't reach an agreed position on an important matter, LIA President Clarence J. Myers, president and chairman of New York Life, has appointed a committee to re-examine LIA's existing rules and procedures to see whether they can be modified to meet the sort of situation most strikingly exemplified by the life company federal income tax bill's challenge.

"Our recent experience with the company federal income tax bill has highlighted some of the difficulties that can arise when our membership fails to agree on a single course of action," Mr. Myers said. "It would have been a happy circumstance if our companies could have agreed upon a form of tax bill which would have been acceptable to both the Treasury and the Congress. Since this was not the case I doubt that anyone is entirely satisfied with the result."

Cites Other Instances

Mr. Myers named other instances where there has not been agreement in the business: the variable annuity, the question of varying premium rates by size of policy and the use of terminal dividends in life insurance contracts. He added that as the business expands and becomes more diversified more questions can be expected to arise in which it will be impossible to
(CONTINUED ON PAGE 24)

Big Fire-Casualty Insurer Votes To Enter Life Field

Directors of United States Fidelity & Guaranty, one of the largest fire-casualty insurers, have authorized the formation of a life company, to be wholly owned by U.S.F.&G. A report to stockholders indicated some time ago that the project was under consideration.

Because of a 10.4% increase in written premiums for the first half year and the anticipated creation and ownership of a life company, Chairman Charles L. Phillips suggested that more capital might be required for growth and expansion. Hence, the directors recommended to the stockholders a charter amendment to permit a 2-for-1 stock split.

Stockholders will vote at a special meeting Aug. 26 on the proposal, which would reclassify each share of \$10 par value stock into two shares of \$5 par. An amendment would also increase authorized capital from 2½ million shares of \$10 par to 8 million shares of \$5 par. The board indicated that it intends to declare a 10% stock dividend after the 2-for-1 split.

The present capital, \$25 million, was authorized in 1943. Since then, three stock dividends of 10% and one of 20% have been declared.

Two Ga. Insurers Merge

General Assurance and Royal Life, both of Atlanta, have merged with General Assurance as the surviving company. The resulting corporation will have assets in excess of \$2 million, surplus of over \$800,000 and more than \$20 million of life in force. General Assurance is licensed in five states.



HEAD OF FAMED INSURANCE CLAN HONORED: W. A. Earls, 85-year-old president of the Earls-Blain general insurance agency of Cincinnati, is shown as he was congratulated by the Rev. William A. Donaghy, president of Holy Cross College at Worcester, Mass., after receiving an honorary bachelor of commercial science degree. At far left is Thomas W. Earls, vice-president of the agency, and his son Daniel. Next to President Donaghy is Thomas Earls' twin brother, William T. Earls, general agent at Cincinnati for Mutual Benefit Life and a past chairman of the Million Dollar Round Table. At far right, with David, one of his six sons, is John V. Earls, brother of Thomas and William Earls, and a vice-president of the Earls-Blain agency. Though W. A. Earls will be 86 in October, he plays 18 holes of golf several times a week and goes to the office every day.

Springfield-Monarch Marketing Is Based On Full Multiple Line Plan

The following article on the integrated multiple-line operations of Springfield Fire & Marine and Monarch Life was written by the associate editor of The National Underwriter Fire-Casualty Edition.

By JOHN N. COSGROVE

One of Springfield-Monarch's marketing aims is to bring complete insurance protection on a quality basis to the broadest possible market.

The companies' marketing philosophy is evident in the organization of the sales division. Wilfred G. Howland, vice-president of Springfield F.&M., and Raymond C. Swanson, vice-president of Monarch Life, head the unit as sales directors for the respective agency plants. They are coordinating and guiding the development of marketing programs, arranging for sales training, and formulating promotional policy countrywide

within the framework of over-all policies laid down by S. Dwight Parker, president of Springfield F.&M., and Frank S. Vanderbrouk, president of Monarch Life.

Robert E. Wooster, whose experience in the life business includes field training and sales, is assistant to Mr. Howland. Harold F. Storey, secretary of Springfield F.&M., is Mr. Swanson's assistant. Thus, there is a cross pollination of ideas at the top level of the sales division. Sales managers have been appointed for the eastern, western and Pacific departments, supervising the Springfield F.&M. agency plant.

Coordinates With Sales Managers

Mr. Wooster, in coordination with the departmental sales managers, is developing life and A&S business through Springfield F.&M. agents. He is assisted by a staff of sales super-

visors who are specialists in these lines. Mr. Storey is charged with the development of property and casualty lines through Monarch agents. He has fire and casualty sales supervisors deployed at strategic points throughout the country.

Springfield-Monarch, however, is not relying on organization alone to further its present and future merchandising plans. Preceding reorganization of its sales setup, the companies investigated modern merchandising methods, and determined the best administrative procedures to implement them. Economical operation, through use of electronic processes in areas where savings could be effected, was a prime consideration.

Springfield-Monarch's analysis of today's market, based on authoritative studies, has led it to the conclusion that the greatest sales opportunities

(CONTINUED ON PAGE 30)

Gregg Warns On Speculation Dangers Facing Public

Davis W. Gregg, president of American College, in his speech at the third regional meeting of Aetna Life's leading producers, the Corps of Regionnaires, warned against the many inherent dangers facing members of the public when they make too many speculative investments as a hedge against inflation, without balancing their programs with investments in fixed-dollar plans offering blue-chip dollar guarantees.

Mr. Gregg, who was discussing life insurance as an investment during times of inflation, spoke at the regional meeting in the Santa Barbara (Cal.) Hotel, where special honors were paid to S. H. Friedman, Tulsa, who, along with 10 others, qualified as Regionnaires for each of the 31 years the corps has been in existence. Twenty-six Regionnaires, who qualified for 10 years or more, also were honored.

Fixed Dollars A Major Concern

The regional meetings, being held during June and July, are under the direction of Robert B. Coolidge, senior vice-president.

Mr. Gregg said that social security and modern industrial pension plan benefits are tied closely to economic trends, price and wage levels, and represent inflation hedges in themselves. The main concern of agents, therefore, should be with the fixed-dollar investments that should make up the major portion of every sound financial program.

Mr. Gregg enumerated several positive factors of life insurance as an investment—marketability, avoidance of managerial care, special protection against claims of creditors, tax treatment, convenient denominations, installment purchases and semi-compulsory savings incentive.

Life insurance men, he said, must understand the investment needs of the public, appreciate that balanced

(CONTINUED ON PAGE 14)

Insurance Stock Investment Plan Designed For Systematic Purchase Of Life Stock

A new insurance stock investment company has been formed, with J. A. Lennon Co. as sponsor and principal underwriter, whose design is to provide for systematic investment in common stocks of either Aetna Life, Connecticut General Life or Travelers. The programs, which contemplate a five-year investment period and an additional five years of custodianship, may be purchased through qualified securities dealers. Dividends are accumulated and reinvested in the same stock. The investor makes monthly deposits during the five years totaling from \$1,650 to \$9,900. The initial investment may range from \$175 to as high as \$1,050. Range on regular monthly investments following is from \$25 to \$150.

Connecticut Bank & Trust Co. of Hartford acts as custodian for the investment programs and payments are received directly from the investor. On the application form provided the investor, he indicates the company in which he wishes to invest and how

much each month. They are called Lennon Co. Aetna Life Stock Investment Programs; Lennon Co. Connecticut General Stock Investment Programs; Lennon Co. Travelers Stock Investment Programs.

When the sponsor receives the investor's initial application and payment, a certificate is issued which is registered in the name of the investor. The custodian then purchases shares of the underlying security on the over-the-counter market through registered investment dealers at current market price.

Automatically Reinvested

Dividends are automatically reinvested to purchase additional shares until completion of the five-year program. At this point the investor may ask for the shares of the company which have accumulated or may continue the custodianship arrangement and either receive dividends or have the dividends reinvested without additional sales charge for as long as five years.

Investors who wish to complete the

(CONTINUED ON PAGE 29)

Micou Browne New Executive V-P Of Occidental Of N.C.

Micou F. Browne has been promoted by Occidental Life of North Carolina from vice-president in charge of agencies to executive vice-president. He will continue as agency director. He has been in charge of field operations for 11 years.



Micou F. Browne will continue as treasurer. He has been treasurer since 1957.



ana manager; John P. Holmes, New Orleans managing general agent for fire and casualty companies and holder of the first policy, face amount \$100,000; Robert E. Aker, Employers Life vice-president and operating head of the company, and Robert M. Thomas, independent broker, who sold the policy.

FIELD FORCE NOTIFIED

Selling Fund Shares Will Cost Agent His Contract: N. Y. Life

NEW YORK—To avoid any possible failure to understand their company's opposition to their selling of mutual fund shares, all agents of New York Life have been sent a letter from Raymond C. Johnson, vice-president in charge of marketing, to serve as notice that "the sale or attempted sale of mutual funds by any full-time Nylc field underwriter will result in the termination of such field underwriter's contract."

Letter Is Duplication

Mr. Johnson's letter, which is in line with a notice that went to managers Feb. 2, says:

"It has become increasingly apparent that those in charge of the promotion and sales of mutual funds have turned to established life insurance agents in an attempt to bolster their sales organizations and expand what they feel is their potential market. They have been advertising and soliciting, especially among full-time agents, rather than concentrating upon building sales staffs of their own."

'Plausible Blandishments'

"Their blandishments seem quite plausible and they use the argument that it is possible to combine life insurance and mutual fund sales. They take the attitude that agents should indulge in this sideline in order to protect their own market."

"Without in any way delving into the merits of mutual funds, it is obvious that such a sale in a vast majority of cases is competitive with rather than complementary to the proper sale of personal life insurance."

Serving Notice

"This letter is to serve as notice that the sale or attempted sale of mutual funds by any full-time Nylc field underwriter will result in the termination of such field underwriter's contract."

"I am sure that the vast majority of our field underwriters will be in complete agreement with our attitude."

Employers Life First Policy Presented

An historical moment—the first life policy of the recently established Employers Life, one of the Employers group of companies, is presented at ceremonies marking the opening of the company's first branch office in New Orleans.

From left are Don Lagarde, Employers Life's Louisiana manager; John P. Holmes, New Orleans managing general agent for fire and casualty companies and holder of the first policy, face amount \$100,000; Robert E. Aker, Employers Life vice-president and operating head of the company, and Robert M. Thomas, independent broker, who sold the policy.

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When your life depends on your eyes...



Safe driving depends upon your eyes—eyes that give you clear, quick, accurate pictures of traffic situations during the day and especially at night.

Yet, traffic experts estimate that there are about three million drivers whose vision is dangerously impaired.

All drivers, of course, should know the condition of their eyes, even if vision tests are not required for a driver's license. It's wise to have your eyes examined by an eye specialist before you become a driver—and have them rechecked at least every two years thereafter.

Should you notice changes in your vision between examinations, see your doctor for another eye test.

If you have a visual defect that requires properly fitted glasses—be sure to wear

them every time you drive.

Some people whose vision is normal in good daylight do not see well at night. This is one of the reasons why fatal accidents occur about three times as frequently at night as during the day.

For safer night driving, always observe the following rules:

1. **Reduce speed** greatly when facing the glare from headlights—and don't speed up immediately after passing. It takes time to recover vision fully after blinding by headlights. Blinding even for a second can be dangerous.
2. **Never look directly** at oncoming headlights. Watch the right side of you, lane, noting the position of the oncoming car out of the corner of your eye.
3. **Don't wear sunglasses** at night.

4. **Always drive at a speed** that will permit you to stop within the distance illuminated by your headlights.

If you take a long trip this summer, remember that your eyes can get just as tired as any other part of your body.

To prevent eye fatigue and eye muscle strain, stop now and then and close your eyes. Don't keep them in a fixed position. Let your eyes move over the whole area of your vision.

Motor vehicle accidents still claim about 38,000 lives a year in our country. The driver is the cause of accidents more often than the car, the road, or the weather. That's why you—and every other driver—should be sure that you're physically and emotionally fit to handle a car safely, efficiently and courteously.

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Treasury Secretary. 'Stardust' To Be On NALU Program

WASHINGTON—A major address by Treasury Secretary Anderson and a presentation of the widely acclaimed life insurance play "Stardust" are the latest features announced for the annual convention of National Assn. of Life Underwriters in Philadelphia Sept. 20-25.

Mr. Anderson will be the speaker of the American College hour, Sept. 23, at which Julian S. Myrick, Mutual of New York, New York City, a past president of NALU and chairman of American College, will preside. As a key figure in the anti-inflation fight, Mr. Anderson will be heard with special interest by his life insurance audience.

A Deeply Moving Play

"Stardust," a play that has moved many audiences deeply, was written by Laflin C. Jones, director of markets research of Northwestern Mutual Life. It was presented at the 1959 Million Dollar Round Table meeting, where it was such a hit that the MDRT is producing it this year at the Million Dollar Round Table hour, where it will climax the morning session Sept. 24.

Speakers previously announced for the NALU annual meeting include Gen. Mark W. Clark, president of the Citadel; David E. Kilgour, president of Great-West Life; Bart Hodges, agent of New York Life in Austin, Tex.; J. Harry Wood, managing director of LIAMA; Vincent B. Coffin, chancellor of University of Hartford and until recently senior vice-president of Connecticut Mutual Life; Orville E. Beal, executive vice-president of Prudential, and Arthur Motley, publisher of Parade magazine.

For the Women Leaders Round Table "Sellarama" the speakers are Mrs. Marion I. Gilmore, John Hancock, Albany; Miss Valerie Kasurak, Excelsior Life, Windsor, Ont.; Mrs. Ruth H. Pilzer, New York Life, Columbus, O., and Mrs. Lucy R. Young, New York Life, Sheridan, Wyo.

Provident Life has been licensed in Arizona.

Republic National Tops Billion Mark In Reinsurance In Force

Less than 12 years after going into the reinsurance business, Republic

National Life has achieved billion-dollar status in life reinsurance in force. It has more than 600 reinsurance accounts in the United States and 12 other countries.

William N. Stannus, senior vice-president in charge of the reinsurance division, made the announcement this week at a home office seminar for reinsurance field representatives and other executives in the division. He also said that the total of paid-for business in the first six months of 1959—including ordinary, group and reinsurance—was 41% ahead.

Credits Seminars For Clients

President Theodore P. Beasley gives a large share of the credit for Republic National's rapid reinsurance expansion to its practice of inviting agency and other executives of client companies for seminars on marketing operations. Not the uses of reinsurance but the things that executives of smaller companies want to know about running an agency plant are covered at these sessions.

Emphasis is on recruiting, training and sales promotion. Lyman King, a CLU, who is assistant vice-president and director of training, is in charge of the seminars. There are two seminars a year and classes are limited to about 35 each. They have proved especially useful to executives of smaller companies who feel the need of getting an intensive course in the fundamentals.

Republic National has many testimonials from those who have attended. Said one executive, "I am amazed at how much information can be packed into a one-week program." One of the ways this is accomplished is to have a question-and-answer period each morning on the work covered the previous day.

The reinsurance division was



William N. Stannus

started on Mr. Beasley's initiative. He engaged Joseph Brice, formerly with the Retail Credit Co., to join the new division. Mr. Brice now is retired but still works as a consultant.

Program Given For Annual Meeting Of Medical Directors

The annual meeting of Assn. of Life Insurance Medical Directors at Hotel Statler Hilton, New York City, will open Oct. 21 with a business meeting. Opening speaker will be Dr. Francis R. Dieuade, scientific director of Life Insurance Medical Research Fund.

Dr. Peter G. Denker, visiting neuropsychiatrist of Bellevue Hospital, New York City, will discuss the handling of claims involving neuropsychiatric problems.

Dr. John J. Hutchinson, medical director of New York Life, will summarize the findings of the build and blood-pressure studies of Society of Actuaries.

In the evening a reception for members and guests will take place.

Paper On Jet Pilots

The following day the speakers will be Dr. Frank B. Berry, assistant secretary of defense, who will present a paper on the physical qualifications of airplane pilots in the jet age; Dr. Louis M. Orr, president of American Medical Assn., who will talk on developments of the past year with respect to the changing status of the practice of medicine; Dr. Arthur M. Master, consulting cardiologist of Mt. Sinai Hospital, New York City, who will present a comprehensive paper on the exercise electrocardiogram, bringing forth his views on current conflicting concepts.

In the afternoon, Dr. Milton Helpern, chief medical examiner of New York City, will discuss certain phases of pathology related to insurance medicine, and Dr. C. Marshall Lee Jr., assistant medical director of John Hancock, will present a paper on the impact of progress in surgical procedures on medical underwriting.

Session On Public Relations

Oct. 23 will be a morning session only, all devoted to public relations and health insurance committee activities. Participants will be Dr. William Shepard, chief medical director of Metropolitan Life, Dr. Charles D. Gossage, associate medical director of Confederation Life, Albert V. Whitehall, director of health insurance of Life Insurance Assn. of America, Raymond F. Killion, 2nd vice-president of Metropolitan Life, Dr. J. Grant Irving, medical director of Aetna Life and William J. McBurney, executive general manager of Prudential.

State National Life of St. Louis has introduced a special family policy, one unit of which provides \$5,000 whole life, including double indemnity and waiver of premium on the husband, plus \$1,000 term to age 65 if wife predeceases him; \$1,000 term to husband's age 65 on wife, if same age; \$1,000 term to age 25, or to father's age 65 if earlier, on each child, beginning at age 15 days (if death occurs within six months after birth, only one-fourth of the amount of insurance for such child is payable.) The premium reduces at age 65.

NALU Endorses Bill Upping Pensions Of Veterans And Heirs

WASHINGTON—National Assn. Life Underwriters has indicated support of a bill now pending in Congress (HR 6432) that would not only provide liberalized pensions for the veterans and survivors of veterans who are most in need and most deserving of government assistance but would also accomplish this objective at a substantial savings to the taxpayers.

NALU's position was transmitted to the Senate finance committee. Thomas R. Buchanan, New York Life, Washington, D. C., chairman of NALU's committee on affairs of veterans and servicemen.

Another Bill Noted

Much of Mr. Buchanan's statement dealt with NALU's views on another bill (HR 7650), which was passed by the House on June 15. It, too, is designed to modify and liberalize the pension programs of veterans of World Wars I and II, the Korean conflict, and their widows and children.

In NALU's opinion, even HR 7650 would be a mild measure compared to the type of legislation that certain veterans' groups would like to see enacted. Some World War I veterans have been aggressively seeking a pension of \$100 per month for all men and women who served at least 90 days in World War II, to be paid regardless of need and whether they're disabled.

NALU supports HR 6432 in preference to HR 7650, said Mr. Buchanan because the former, if enacted, would reduce the cost of the existing veterans' pension program by almost \$4 billion over the next 40 years. On the other hand, HR 7650, if enacted, would increase the cost of the program by still another \$10 billion.

Congress' choice of HR 7650 over HR 6432 would mean, Mr. Buchanan said, "a diversion of \$58 billion that might otherwise be used for more urgent programs, general tax relief."

(CONTINUED ON PAGE 24)

Bankers Life Of Nebraska Agents Attend Seminar

A seminar of the new President's Club of Bankers Life of Nebraska was attended by 18 first-year agents. The agents qualified for the all-expense trip to the home office and membership in the President's Club by producing more than \$300,000 in 30 lives during their first year with the company.

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Superiority Of Life Insurance To Equities Detailed In Booklet

Following is the second and final installment of an article on Home Life of New York's booklet explaining in detail the points on which life insurance surpasses mutual funds and other equities as an investment. The first section appeared last week.

Discussing "growth" stocks, Home

Life says there seems to be a widespread feeling that any substantial company on the ground floor of such industries as missile manufacturing companies, electronics, exotic fuels, or miracle drugs can be expected to boom in the years ahead. Unfortunately, however, investors are often misled as to what is truly a growth stock. In a

February, 1959, issue of the Commercial & Financial Chronicle, the president of a prominent mutual fund pointed this out and gave these examples from history:

—During the Louisiana off-shore oil boom in 1957, stock of the McDermott Corp. rose to 76. Early in 1959 this stock was selling at 30.

—In the airline boom of some years ago, American Airlines sold at 20 in 1946 and did not equal that price again until 1954.

—In aircraft manufacturing, Douglas in 1954 sold at 90, a price never

reached again; early in 1959 it was about 60.

—The aluminums were riding high in 1956—Alcoa sold at 136. In 1959 it was at a low of 60.

—Interest in uranium drove the price of Algom shares to 25; now it is 15.

The mutual fund president who cited these examples pointed out that "in each case, at that particular time anyone who didn't own the popular stock was considered to be bereft of his senses."

Have Place In Economy

Turning to the mutual funds, Home Life concedes that they have their important place in the economy, but points out that these factors should be considered.

—Mutual funds are subject to the same ups and downs as the stock market. The value of an individual's holdings is determined by totaling the market value at any given time of all the securities owned by the fund and dividing the amount by the number of shares held by the public. Thus, the funds offer no hedge against a declining market—and they are the first to admit it.

Substantial Fee Charged

—A substantial fee is charged by the mutual fund on the initial purchase and, subsequently, on all income earned. The commission paid by the investor on each mutual fund share purchased is about 8%—considerably more than the investor would pay if he bought stocks directly. The fund then retains for itself about 12½% of all income earned for operating expenses and investment management.

—Despite much-advertised management by investment experts, the results achieved by mutual funds are somewhat less than spectacular. This is illustrated by comparing the performance of mutual funds with Standard & Poor's average of 500 stocks. During a recent six-month period, the growth shown by the Standard & Poor average was at least 8% better than the average for the 10 largest stock funds and at least 38% better than the average for the 10 largest balanced funds.

Must Still Use Judgment

—Mutual funds do not relieve the investor of the need for using judgment and discretion, since they range all the way from relatively conservative funds that combine bonds with stocks to the speculative "growth" funds specializing in single industries. In a study of the funds, the financial magazine Forbes concluded "...no single fund rightly can claim to be a jack-of-all-trades. None gives its stockholders capital gains, safety and high dividends all in one package." The investor must decide what type of fund he wants, just as he must in selecting a single stock. As Forbes points out, "The investor who buys mutual funds in haste will probably repent in leisure if the fund does an under-par job—since any investor will think twice before cashing in shares which cost him 8% to buy."

As to what the mutual funds can do, Home Life quotes financial writer Lewis Haney who, in his nationally syndicated newspaper column, gave some advice about mutual funds in 1954 that Home Life considers to be even more appropriate today: "One thing sure is this: if you think that stock prices are getting too high for safety, you should not be buying investment trust or mutual fund shares at this time."

Mr. Haney then listed some of the
(CONTINUED ON PAGE 26)

"No wonder I like to sell John Hancock"

He can count on friendly acceptance throughout the community

It's much pleasanter to do business where you're met with a friendly welcome. And it's much easier when people recognize and respect the company you represent.

This is one of the nice things about selling for John Hancock. The outstanding reputation of the company, strengthened by its famous national advertising, makes many friends for the John Hancock man even before he meets them.

Besides this, the new Signature Series enables him to offer prospects the most advanced types of modern life insurance protection—policies which meet every individual need. In addition, he can also offer a full range of Personal Health insurance and Group Life, Accident and Health coverages.

This is part of what it means to sell John Hancock: up-to-date coverages and friendly acceptance in the community.

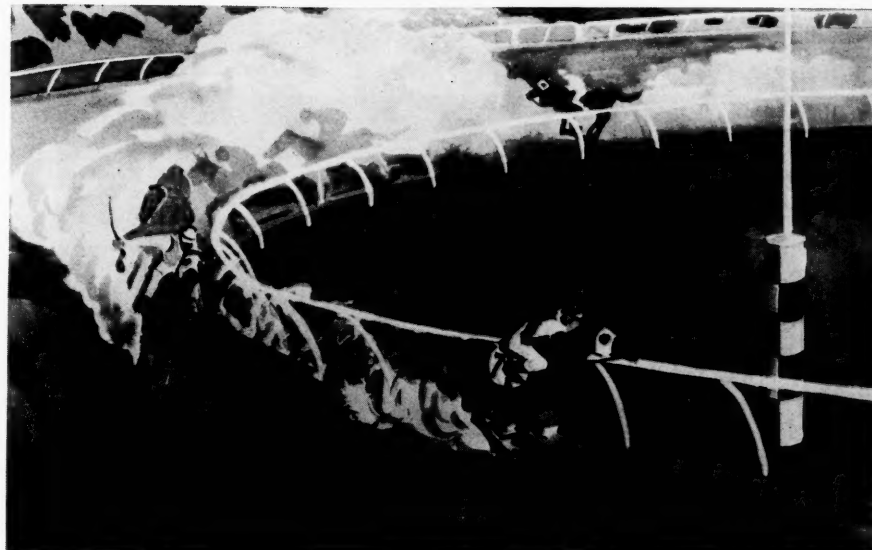
John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS



The John Hancock Signature Series



the most advanced life insurance portfolio



*An agent cannot long travel at a faster gait
than the Company he represents . . .*

1940 \$177 Million in Force

1951 \$1 Billion in Force

1956 \$2 Billion in Force

1958 \$3 Billion in Force

1959 *(our 75th Anniversary Year)*

Goal: \$1 Billion in Paid Sales this year



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted
exclusively to the underwriting of Ordinary and Annuity plans
Over Three Billion Dollars of Insurance in Force*



Legal Reserve Feature Gives Lie Again And Again To Old Cry Of 'Widow Thieves'

By LEVERING CARTWRIGHT
Cartwright, Valleau & Co.

Chairman Edmund Fitzgerald of Northwestern Mutual recently said of legal reserve policies:

"The identity feature of life insurance is a wonderful and unique element in our contract, but we would have today only a small fraction of the public interest and public confi-

dence in our services if that were all we had been able to give. It is rather the interplay of the two elements, the supplementing of one by the other, which has proved to so many millions of our people that life insurance is the basic answer to family security. If all we were able to offer had been term insurance, would America's breadwinners have discovered life in-

surance to be the solution? Or would the rising mortality costs, falling away of good lives, and the lack of built-in emergency funds for destitute buyers have brought a different and qualified conclusion that here was a sometimes helpful device, but often a fair-weather friend which drained your purse for years only to disappear when tragedy and crisis occurred?

"This may be a rhetorical question, but the answer need not be rhetorical, because in the records of assessment insurance is the sad history of what actually happened."

To give examples of what he said back about 1908 an uncle by marriage was head of a securities house in Chicago that was going well. He used to send out his limousine and chauffeur to take his poor relatives downtown in high style.

But he and his associates got carried away by some high flying Colorado development scheme and the firm blew up. He had his private panic for so years ahead of everybody else. He never made a comeback. He traveled on street cars and as time went on my father had to keep him. He got to the 80s. His only material asset was an old fraternal assessment policy. The level premium people were called "widow thieves" by the sponsors of such insurance. Each year it was a new gamble. Even as a youngster I have a vivid recollection of the pow-wow to decide whether to come up with the premium of \$400 per thousand for that year. Already my father had sunk more than \$1,000 in the policy. I don't remember whether they did or didn't, or whether the uncle made it for another year or not. The point is the same.

Another example: In the 20s and 30s there was an advocate of wraps around life insurance who gained quite an audience and enjoyed considerable prestige, running even in academic circles. He got a lot of people to cash out their fully integrated insurance and go for the kind that wraps around an individual collection of stocks, bonds, brother-in-law loans, and maybe even a second mortgage on a gravel pit. (They didn't have growth stocks in those days.)

Anyway, his widow was (maybe still is) a hospital nurse. Thus he contributed to humanity because she better serves mankind in this way than living it up on the proceeds of "widow thief" insurance.

Blutau Is Promoted By Hooper-Holmes Bureau

Hooper-Holmes Bureau has named Carl E. Blutau assistant vice-president for sales. He has been southern division manager.

He joined Hooper-Holmes as an inspector in 1932 and was promoted to manager at Rochester, N.Y., in 1938. He was transferred to the sales department in 1942 and promoted to New England division sales manager in 1948. He was transferred to Charlotte, N.C., as division supervisor in 1953. He will make his headquarters at the executive office in Morristown, N.J.

Continental American June Sales Up 36%, Six Month Gain 29%

Continental Life's paid-for business in June gained 36% and for the first six months was more than \$47 million, an increase of 29%. Life in force exceeded \$476 million on June 30, a 10% climb in the past 12 months.

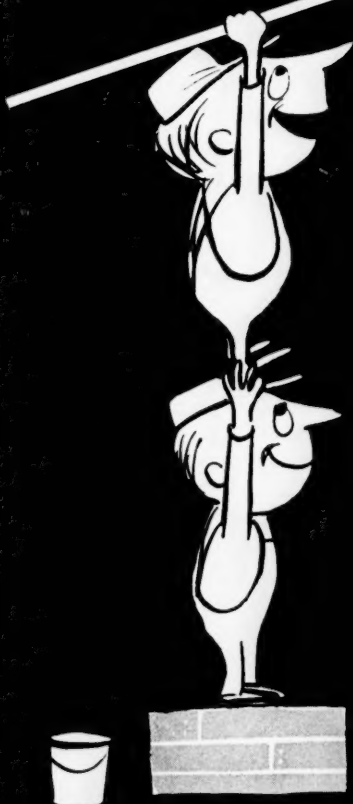
Leading agency in June was the Rosen-Vogel agency at New York with \$1.8 million in new paid-for business, bringing its paid-for total for the six months to more than \$12 million, a gain of 35%.

Hancock Figures Corrected

The new business figure of John Hancock for the first six months of 1959 and the insurance in force figures as of June 30 which appeared in a recent edition have been corrected. New business amounted to \$1,543,730,989 and insurance in force stood at \$23,135,655,400—not \$1,433,798,730 and \$20,385,056,781 as was reported.

Lift Me Up Higher, Charlie ...

... the doorway to
opportunity gets
bigger every day!"



REPUBLIC NATIONAL LIFE

INSURANCE COMPANY • Dallas, Texas
LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION
GROUP • PENSION • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

The only way to Grow
... is GO

FIRST SIX MONTHS

1958

1959

New Life Insurance Issued

\$ 297,778,522.00

\$ 419,520,460.00

Increase of Life Insurance
in Force

1958

1959

\$ 149,956,146.00

\$ 225,055,503.00

Total Life Insurance in
Force

1958

1959

\$1,731,497,355.00

\$2,177,971,016.00

Accident & Sickness
Premium Income

1958

1959

\$ 5,698,686.45

\$ 7,031,318.10



John Philip Sousa's special arrangements came from The Man from Equitable

John Philip Sousa, famous Marine band leader, composed *Stars and Stripes Forever* and many other well-known marches. But his special insurance arrangements were composed by The Man from Equitable. Sousa not only received good protection in case of death, but his program gave him guaranteed funds for *living* purposes — for emergencies,

education, retirement. Living Insurance! This is what people everywhere are hearing about — on DOUGLAS EDWARDS WITH THE NEWS, over the entire CBS-TV network. No wonder so many underwriters enjoy being The Man from Equitable! ©1959 The Equitable Life Assurance Society of the United States. Home Office: 393 Seventh Ave., N. Y. 1, N. Y.



Living Insurance from **EQUITABLE**

Why Standard Life Of Indiana's Agents Sell Mutual Funds, Too

William H. O'Brien, vice-president in charge of advertising and public relations of Standard Life of Indiana, makes these comments on the highly controversial question of licensing life insurance agents to sell mutual funds:

"Those are some of the main reasons Standard Life has equipped its salesmen to sell mutual funds," was

the comment I made following the reading of your article entitled "Why Mutual Funds' 'Adequate' Life Insurance Will Never be Adequate" that appeared in the July 25 issue.

Purchased Majority Interest

As you know, the Standard Life of Indiana several years ago purchased majority interest in the Advisers Fund

Management Corp., the national distributor for the shares of Advisers Fund, Inc.

This purchase by the Standard Life was made only after long and careful consideration by its officers and directors. Because of the size of the fund, Standard Life couldn't expect any profits from A.F.M.C. for many years.

The Standard Life wanted to equip its agents so that they could be in an impartial position when advising their clients on a program of protection and retirement. It was our feeling that this would put our agents in a most powerful selling position. Every day we see

results that are proving our thinking and actions to have been correct and proper.

We realized before taking our pioneering move that the action of dual licensing our agents (in those states where it is permitted) would be highly popular in all life insurance quarters. At the same time, after examining the forces at play in the modern marketing world it can be seen that the life insurance agent should be streamlined just the same as the tangible products that are competing for the same dollar. Flashy chrome-plated goods aren't the only things that are making the agent's job a tough one. He's faced with an economy where the dollar is constantly losing purchasing power, making his approach to the sale of retirement type contracts sound more hollow with each cost of living report that comes out of Washington.

Influenced By Neighbors

Mr. Agent also is faced with the next-door neighbor who just told him prospect that a little \$500 purchase of stocks he made 10 years ago is now worth \$5,000.

And of course, he always has and always will be confronted by the market.

(CONTINUED ON PAGE 19)

A case for

ÆTNA LIFE'S

PENSION PLANNING

SERVICE

Here's a local company well known to you . . . it's prosperous in a fast-expanding field. These men are members of the executive committee . . . you've written property insurance on the company . . . and probably you've done business with them individually.

But as a group, they are perfect prospects for Aetna Life's Pension Planning Service. A nearby Aetna Life General Agency has pension plan experts ready to help general insurance men develop and sell these substantial cases.

Why not check your files for companies (and men) like these, today?

C. Holmes Gardner & Assoc.



Service to General Insurance Men

"Compass" is a monthly Aetna Life service publication written especially for general insurance men and brokers. It points out unusual opportunities for building commissions and for cementing relationships with your clients and their attorneys and accountants. To receive your copy regularly write: "Compass", Aetna Life Insurance Company, Hartford 15, Conn.



ÆTNA LIFE
INSURANCE COMPANY

Affiliates: AETNA CASUALTY AND SURETY COMPANY • STANDARD FIRE INSURANCE COMPANY • Hartford, Connecticut

Wins Mutual Benefit Life Speech Writing Contest

Martha Reynolds, an 18-year-old from Marietta, Va., won first place in the first annual "My True Security" contest, a speech writing and delivering program, sponsored by Mutual Benefit Life and the U. S. Junior Chamber of Commerce. More than 200,000 high school seniors throughout the country entered the contest.

Miss Reynolds was one of 51 state finalists who were brought to Washington, D. C., for a two-day tour which included a surprise 15-minute visit with President Eisenhower at the White House. They were accompanied by Donald E. Lynch, director of public relations of Mutual Benefit, and Robert Clark, president of the junior chamber.

Winners were announced at a national awards banquet at the Statler Hilton Hotel. The two co-equal runners-up were Herbert S. Edwards of Denver and John R. Williams of Fargo, N. D. Miss Reynolds received a \$1,000 scholarship and the runners-up, \$500 scholarships each. Presentation was made by H. Bruce Palmer, president of Mutual Benefit.

Speaker at the dinner was Keith Glennan, administrator of the National Aeronautics & Space Administration.

The Golden Key Ring

A WONDERFUL GIFT!

22 carat gold finish
U. S. Pat. No. 2495591
• New principle • New style • Beautifully jeweled • Boxed



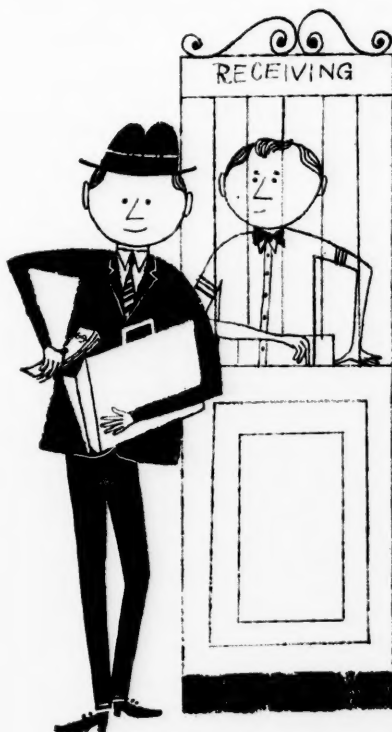
Used by many home offices for sales meetings, awards, conventions, prospecting, birthdays, etc.

NO FINER GIFT write for details and special discounts. Minimum purchase 1 dozen.

MELBOURNE COMPANY

15 W. 10th Street, Kansas City 5, Missouri

**THE NATION'S
NO. 1 INSURANCE PROSPECT
...THE MANAGEMENT MAN
WHO READS
BUSINESS WEEK**



Why take out insurance? No need to waste effort convincing the Business Week reader of this... the average subscriber carries \$40,119 in life insurance (excluding group). Far from adequate, we're sure, when you note that the salary of the average BW subscriber is \$21,000 — highest by far among all weekly magazines. Best of all, he's more than willing to give his attention to a business-like proposition when he finds it in Business Week — "best-read" of management magazines.

Source: Business Week Audience Report — 1958



**YOU ADVERTISE IN BUSINESS WEEK
WHEN YOU WANT TO INFLUENCE MANAGEMENT MEN**

A McGraw-Hill Magazine—330 West 42d St., New York 36, N. Y.

ANOTHER**NEW
FILM**

FROM

*Underwriters
Films*
2025 GLENWOOD AVENUE
TOLEDO 2, OHIO

LEADING PRODUCERS
OF STOCK — CUSTOM — OR
TAILORED FILMS FOR THE
INSURANCE INDUSTRY

"PAID
IN FULL"

7 MINUTES ...
36 COLOR FRAMES
OF ACTION PACKED
MOTIVATION TO

HELP YOU
SELL MORE
MORTGAGE
CANCELLATION
INSURANCE

START YOUR
AUDIO-VISUAL PROGRAM
WITH "PAID IN FULL"
or add it to your
existing program

DISTRIBUTORS
COAST TO COAST
TO GIVE YOU
A DESK SIDE
DEMONSTRATION

WRITE
TODAY
FOR FULL DETAILS

New England Life Top Producers Meet; New Policy Is Introduced

A dramatic stage presentation introduced New England Life's new policy at the annual meeting of the Leaders Assn., for top producers, at the Homestead, Hot Springs, Va.

Association officers elected at the meeting were William M. Shelton Jr., Los Angeles, president; Charles I. Lytle, Buffalo, vice-president; Buckley Hubbard Jr., Buffalo, secretary, and Benjamin L. Stern Jr., New York, treasurer.

The new executive committee is composed of Messrs. Shelton, Lytle, Hubbard and Stern; Thomas E. Burke, Boston, immediate past president; E. Lester Goodrich, Boston, and Sydney O. Thompson, New York.

New Policy

The stage play, acted and produced by members of the home office agency department, portrayed a day in the life of an agent and presented policy changes which included a guaranteed insurability option, triple indemnity for fare-paying passengers on common carriers, return of premiums beyond the month of death, reduced premiums for women, new change privileges and other provisions. Many of the new benefits are being made available retroactively to existing policies.

Business sessions of the meeting were built around the theme, "What a Leader Should Know About . . ." Field men discussed such subjects as establishing work habits, handling personal and business finances, client building, selling group coverages, business insurance, pensions and profit sharing.

William R. McDonald, Sacramento, was named rookie of the year and received a trophy, baseball cap and bat from O. Kelley Anderson, president. The award is based on performance in the life field, quality and persistency of business and participation in community affairs.

Runners-up were Charles P. Davey,



NEW ENGLAND LIFE'S ROOKIE OF THE YEAR—William R. McDonald, Sacramento, receives trophy, baseball cap and bat from O. Kelley Anderson, president, at annual meeting of the company's Leader's Assn. at the Homestead, Hot Springs, Va. Mr. McDonald, who joined New England in December, 1957, produced over \$1 million in new business during 1958, his first year.

More Results For First Six Months Given

| | 1959 New Life Ins. Bus. | 1958 New Life Ins. Bus. | 1959 In Force Increase | 1958 In Force Increase | In Force As Of 6-30-59 |
|-------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|
| Life & Casualty of Tenn. | 195,105,760 | Not Available | 73,239,757 | 30,185,444 | 1,724,406,944 |
| Lincoln National Life | 705,716,106 | 614,495,343 | 258,735,241 | 196,660,836 | 9,443,655,963 |
| Mutual Benefit Life | 345,059,923 | 273,995,672 | 227,932,063 | 155,573,286 | 4,731,275,853 |
| North American Re | 170,087,000* | 119,047,000 | 80,871,000 | 25,418,000 | 1,163,096,000 |
| State Farm Life | 148,358,890 | 129,005,956 | 87,568,585 | 55,388,277 | 1,470,216,830 |

*Includes \$38,635,000 revivals and increases in 1959 and \$35,201,000 in 1958.

Detroit; E. Claude Saunders, Birmingham, Ala., and William A. Thorndike, Boston.

The past presidents' award for the best 1958 performance by 1957 runners-up was shared by Joseph C. Carolan, Detroit, and Edward K. Leaton, New York.

Service awards for 25 years were presented by George W. Smith, chairman, to W. Franklin Scarborough and James M. Stokes, both of Philadelphia; Herman L. Filene, Charles H. Weiss and Robert J. Metz, all of New York.

John Ward N. A. Re V-P. To Visit Insurers Abroad

NEW YORK—Vice-president John R. Ward of North American Reassurance, sailed with Mrs. Ward Aug. 12 on the Queen Elizabeth for a two-month business trip.

He will spend several weeks at the Swiss Reinsurance Co. at Zurich, parent firm of North American Re. He will also visit companies in London, Edinburgh, Paris and Copenhagen to review methods and practices of European insurers. Many life company executives and their wives were on hand at a sailing party on the Queen Elizabeth to bid the Wards bon voyage.



John R. Ward

Atlantic Life Introduces Liberalized A&S Policy

Atlantic Life has introduced a liberal variation of its non-cancellable, guaranteed renewable Stratford Hall A&S policy, which provides benefit payments continuously to age 65 on disabilities arising from either accident or sickness.

The policy is being offered with monthly benefits ranging from \$100 to \$400 and is available to the top two occupational classifications, ages 21 through 50.

There is a 30-day waiting period on sickness benefits. Longer waiting periods for both accident and sickness are available to provide a flexible premium schedule. The policy is non-house confining.

The Stratford Hall policy will continue to be offered with 12, 24, 60 and 120 month benefit periods.

Life Of North America Ordinary Volume For Seven Months Up 202%

Life of North America's ordinary life volume was \$65,095,400 for the first seven months, a 202% increase. Group life volume was \$35,767,000, a gain of 379%. First year paid premiums on all lines of business for the year were up some 500%. Leading service offices for the seven months are Flanagan, Newark; Wilson, Philadelphia, and Breuer, Chicago. Leading agencies are Huber, Wynnewood, Pa.; Mansur, Philadelphia, and Reynolds, Pittsburgh.

DISCOVER the DIFFERENCE



Leonardo da Vinci's 14th century paintings and inventions were far ahead of the times.

Security Benefit Life has never painted a portrait, but it has painted a much brighter future for hundreds of alert life representatives through the employment of "Individualized Medical Underwriting." IMU is a flexible underwriting program designed to meet the ever-changing needs and demands of a discriminating public.

Why not "Discover The Difference" in your earnings by joining a company that is ahead of the times in service, Home Office cooperation, and liberal underwriting procedures?

Licensed in most states, Security Benefit is a sound, established, highly rated company, offering its representatives up-to-date policies, efficient Home Office cooperation, plus tested sales aids. We feel we are the Company with the DIFFERENCE—here's just a few reasons why:

- Top first year and renewal commissions for General Agents (Liberal vesting provisions)
- Exclusive substandard facilities for you and your brokers
- Lifetime Service Fee
- Disability income when sick or disabled
- Liberal retirement plan
- Office allowances

♦ CAREER OPPORTUNITY ♦

If you're like many alert life underwriters, you have been searching for the company which can help you make life insurance a career instead of a job without a definite future. At the present time we have many excellent opportunities available for men whose experience and ability qualify them for personal producing general agent responsibilities. If you feel that you can fulfill this challenging and rewarding opportunity, contact us today!

MARC F. GOODRICH, CLU
Assistant Director
of Agencies
Dept. 43

SECURITY BENEFIT LIFE
INSURANCE COMPANY Topeka, Kansas

Institute Predicts 1959 Group Benefits May Be \$3.5 Billion

Group insurance benefits paid by all companies to American families will probably reach \$3.5 billion in 1959, Institute of Life Insurance estimates. This would be six times the aggregate of such payments only 10 years ago.

Aggregate group benefits in 1958, exclusive of dividends, were \$3,198,000,000, of which \$984 million was paid under group life contracts, \$1,954,000,000 under group health and \$260 million on group annuities under insured pension plans.

In 1948, total group benefit payments were \$551 million, of which \$253 million was life, \$239 million was health and \$59 million group annuities.

The potential of future group benefits clearly indicated in the figures of group plans in force at the start of 1959, as shown in an analysis of 1958 group coverage made by the institute. Group life in force was \$144,607,000,000, a 25% gain in three years. Group annuities totaled \$1,570,000,000, a 33 1/3% gain over three years ago.

Group Health's Large Gains

Various group A&S coverages have all shown material gains over the past three years, the most widely held, surgical expense coverage, showing a rise of several hundreds of millions of dollars in aggregate maximum benefits provided.

As measured by paid premiums, the \$5,033,000,000 reported for 1958, was 3 1/2 times the premium total of 1948 and was greater than the total of all life and health insurance premiums combined during the early 1940's.

All areas of group coverage are at record high levels today, the institute summary shows, with health coverage accounting for the largest block of premiums, \$2,310,000,000 of the total. Group life coverage was next with \$1,533,000,000, and group annuities third with \$1,190,000,000.

The year's increase in the three types

were: Health, \$150 million or 7%; life, \$119 million or 8%, and annuities, \$20 million or 2%.

Group life, however, covered the greatest number of employees—36,664,000 at the beginning of 1959—with group wage replacement disability coverage included under health insurance, second, and applying to 20,460,000 workers. Group accidental death and dismemberment was next with 18,689,000. Group surgical benefits covered 16,932,000 employees and group hospitalization 16,524,000.

Group credit life, not included as an

employee benefit, covered 27,733,000 persons.

On the basis of total persons covered, including dependents of employees, the coverages rank as follows: Surgical, 44,678,000; hospitalization, 44,265,000; life, 39,498,000 and medical expense, 24,634,000.

Major medical plans had the greatest rate of growth among health programs. Major medical plans, supplementing basic policies, covered 11,059,000 persons. Total premiums on this type of business nearly tripled in the last two years alone.

General American Is On Risk With Partial Payment

General American Life is using a new application form which, subject to provisions of a conditional receipt, binds the company by the payment of only part of the first annual, semi-annual, or quarterly premium. The payment must be at least 1/12 of the annual premium and a minimum of \$5.

NON-CANCELLABLE TO 65...

**GUARANTEED
CONTINUABLE
FOR LIFE**



NEW STATE MUTUAL HOSPITAL INSURANCE for Families and Individuals

- Coverage begins on policy date—no waiting period.
- Available with or without \$50 deductible.
- Issued to adults ages 18 to 85.
- Insured wife becomes policyholder upon death of husband.
- Children eligible for family coverage from 2 weeks to 18 years.
- Newborn children automatically covered at 2 weeks of age to end of then current premium period at no additional cost. Additional premium thereafter.
- Pays variable maximum up to \$20 a day room and board; up to 90 days for each hospitalization and up to 10 times daily rate for hospital services.
- Maternity benefits in-hospital, 10 times daily rate; non-hospital 5 times daily rate. No deductible.
- Optional benefits available for surgical procedures and in-hospital physician's calls.
- Participating.

Mail coupon today for free booklet describing State Mutual's New Hospital Insurance Plan in detail.



State Mutual
LIFE ASSURANCE COMPANY
of America
WORCESTER, MASSACHUSETTS

STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA
WORCESTER, MASSACHUSETTS

Please send me full details about your new Hospital Insurance Plan with a Lifetime Guarantee.

Name _____

Company _____

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Texas Legal Reserve Officials Will Study Tax Law At Convention

The new federal income tax law for life companies will come in for much discussion at the annual convention of Texas Legal Reserve Officials Assn. Aug. 20-22 at Fort Worth. A large part of the second day will be given over to a tax clinic to discuss the new law and to answer industry questions from the floor. Principal speaker will be Henry F. Rood, senior vice-president of Lincoln National Life. Mr. Rood served on the life insurance tax advisory committee for the United States Treasury.

Participating in the clinic will be a panel composed of attorney Frank B. Appleman, former special attorney to the Bureau of Internal Revenue; Donald R. McKee, former Texas department actuary, now vice-president of Girard Life; Thomas N. Jenness Jr., certified public accountant; attorney Stanley Shoenbaum, formerly with the Bureau of Internal Revenue, and Everett R. Crilly of Lincoln National's tax department.

Chairman Jackson of the Texas board and Commissioner Hammel of Nevada, president of NAIC, will address the Aug. 21 luncheon session. The morning of Aug. 22 will be devoted to a series of talks on company growth—through agent inspiration, through mergers and consolidations, and through direct mail selling.

Warns Public On Speculation Dangers

(CONTINUED FROM PAGE 2)

investment programs are usually the most effective, and recognize the permanent place of social security in financial planning.

Pass Along This Knowledge

If its representatives can transmit this understanding to the public, Mr. Gregg added, life insurance will retain its position as the most popular of all fixed-dollar savings media in the United States, in spite of inflation.

Jack P. Hale, San Antonio, who just finished his first year with Aetna Life, said detailed advance planning and complete record keeping had contributed to his success during the year.

Rudolph C. Larson, secretary of the A&H department, outlined the progress of the company's salary budget income protection plan since it was introduced 14 months ago, and described other developments in Aetna Life's A&S program.

The salary budget plan, he said, has taken A&S insurance out of the small business category for many Aetna agents. He pointed out that many of them have written more A&S business in six months with the new plan, than in a lifetime before.

Employees Become Prospects

William H. Holmes, manager of pension trust sales, also speaking on the salary budget plan, said not only does the plan allow the agent to serve employees by providing funds for their future emergencies, but it also gives

the employer a chance to make an important fringe benefit available to them. Most of the employees also may be prospects for life insurance as well.

Wayne H. Safley, Medford, Ore., said that Aetna's business planning department had helped him in several business life insurance cases during the past year, leaving him with time to develop new business.

Karl W. Punzak, manager of advanced underwriting sales, noted that experience with a new fact-finding technique developed by the company is leading to the discovery of multiple insurance needs for individual and business prospects that might previously have been overlooked.

Solutions Available

Mr. Punzak said concentration on finding out all the facts about a prospect's business and personal situation "compels him to look at his problems to organize them and to realize that there are solutions to them—feasible and inexpensive solutions in terms of the benefits to be gained."

Lawrence Mann, Los Angeles, said contacts established in developing group insurance sales often lead to other sales of business insurance, A&S policies and individual life insurance to both employees and owners of the firm involved.

In his closing address, Mr. Coolidge urged life insurance men to continue to meet the challenge that is uniquely theirs, "providing true security to individuals."

To achieve family security, people must analyze their future income needs realistically, calculate how much must be saved to produce the income, then work out a systematic plan of accumulation, Mr. Coolidge said.

Very few people will do this on their own, he declared, and the life insurance representative is the sole outside influence with both the desire to aid them and the capability of helping them to achieve these goals.

Mr. Coolidge observed, "We are experts in appraising future financial needs and in offering guaranteed plans for meeting those needs. We can provide genuine security—the certain knowledge that people may always remain in their own world. And we do it for less money, less annual outlay than anyone else."

Beadles Named Editor Of Teachers' Quarterly

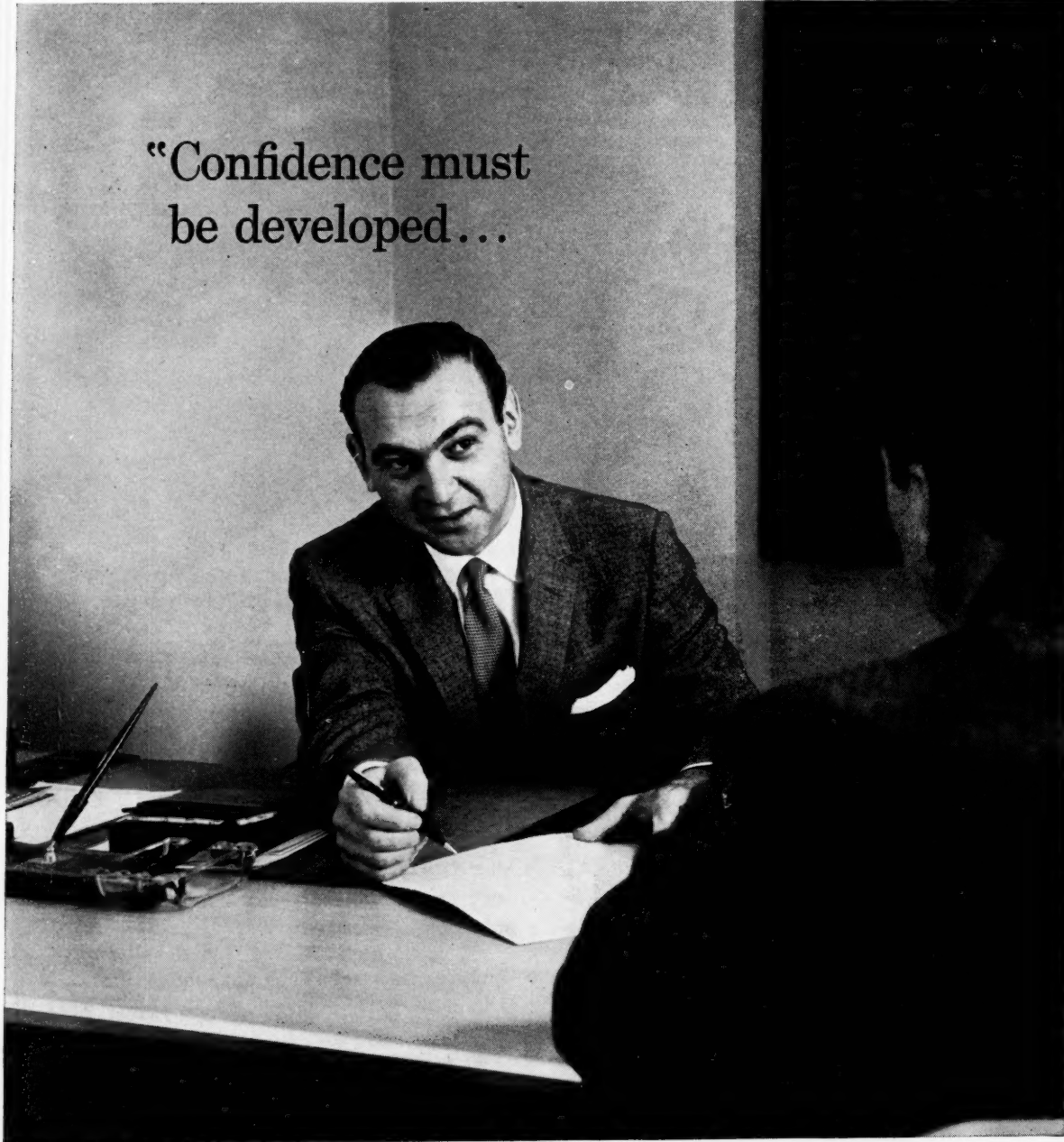
William T. Beadles, dean and vice-president of Illinois Wesleyan University, has been appointed editor of the Journal of Insurance published quarterly by American Assn. of University Teachers of Insurance. He will succeed John Bickley, Ohio State Jan. 1. Mr. Bickley has edited the Journal since it was converted from the annual Proceedings publication to a quarterly publication three years ago.

Mr. Beadles, immediate past president of AAUTI who also served as secretary of the association for a number of years, was acting editor of the old Proceedings for several years in the early 1950s.

Blumberg Misidentified

David M. Blumberg, trustee of National Assn. of Life Underwriters who was identified as general agent of Connecticut Mutual at Knoxville, Tenn., in the list of trustee nominations released by NALU and printed in THE NATIONAL UNDERWRITER of Aug. 1, is actually general agent at Knoxville for Massachusetts Mutual.

MILTON RIFKIN, C.L.U., a Navy veteran, joined Berkshire in 1946. Named Supervisor of the S. S. Wolfson Agency in 1949, he was appointed Associate General Agent in 1954. He became a General Agent in 1957, with offices at 100 William Street, New York City.



"Confidence must be developed..."

...in a client as much as loyalty. He must believe in your recommendations as sincerely as you do yourself."

"But how does a broker without a lot of Life experience go about building that confidence, Mr. Rifkin?"

"Actually, it takes us a very short time to show you how to build prospect-assurance. The training techniques and field supervision programs we've developed are among the finest in the industry. In addition to the personal know-how you'll develop, you will also have the sum total of our experience to draw on in selling and servicing clients."

"Knowing that an organization like yours is behind me would certainly make me feel on more solid ground."

"That's our goal. If you have the confidence which anyone has who represents Berkshire, your clients will feel that confidence, too. Berkshire's 108-year reputation for sound management and service to policyowners is more than an assurance—it's a guarantee of service and satisfaction. It's the very reason why today Berkshire presents the greatest potential for personal growth in the industry."

BERKSHIRE
LIFE INSURANCE CO.

Life, Accident & Sickness, Pension Plans, Annuities
George D. Covell, C.L.U., Agency Vice President
PITTSFIELD, MASS. • A MUTUAL COMPANY • 1851



Continental Assurance Pyramid Club To Meet

The annual meeting of the Pyramid Club of Continental Assurance will be held in two sections Aug. 23-29 at the Drake Hotel, Chicago. The meeting is expected to be attended by 537 qualifying agents and brokers.

A program will be sponsored by the company's CLU Assn. in observance of its 10th anniversary. Carl E. Haas, Brooklyn, as immediate past president, will moderate the first session; William R. Otter, Chicago, and president-elect, the second. A major event will be presentation of 15 awards to outstanding producers of the past year.

Reeder Will Set Theme

Theme of the program will be set by President Howard C. Reeder, in a talk entitled "A Decade of Opportunity." Subsequent talks by home office executives will dwell on "Trends" with Dr. Clifton L. Reeder, vice-president and medical director, discussing underwriting developments and the future; David G. Scott, 1st vice-president and actuary, reviewing products; and Robert B. Hamor, vice-president and director of agencies, examining facets of selling programs.

William Harmelin, general agent at New York, will speak on "Uses of Health Insurance in the Business Sale." Guest speakers will be Hal Nutt, director of the Purdue institute and James Du Pont of the public relations department of E. I. Du Pont de Nemours & Co.

Pacific coast and eastern departments will hold their meetings as the first section of the convention. Speakers will be Dwight G. Johnson, Philadelphia;

Andrew M. Pane, group eastern division manager, Robert W. Van Lone, San Pedro, Cal.; Leo E. Schmeltzer, Madison, and Stanley J. Neuman, Los Angeles.

At the mid-America-Canada career meeting to open Aug. 26, additional speakers will be Martin B. McCarthy, group mid-America division manager; Lynn A. Williams Jr., Wichita; John A. McSherry, Minneapolis; Charles R. Comeau, Garden City, L.I.; Raymond J. C. Hodgson, superintendent of agencies and John K. McCann, pension consultant.

Nine Members Added To LIAMA's Roster

Six new member companies and three associate members have joined LIAMA, bringing the total number of members to 335. There are 229 members in the United States, 43 in Canada, and 63 in 19 other countries.

The new member companies are: American Family Life, Madison, Wis.; American Life of New York, New York; Commercial Life of Canada, Toronto; Old Republic Life, Chicago; Producers Life, Mesa, Ariz., and

Southern Life of Greensboro, Greensboro, S. C.

New associate member companies are American International Assurance, Hong Kong, China; Boemi-Poetera 1912 Mutual Life, Djakarta, Indonesia, and Compania De Seguros Bolivar, Bogota, Columbia.

American United Has Big Month

American United Life's president's month campaign set a direct written business record 42% above July of 1958.

*Northwestern Mutual's
point of view
makes a difference...*

**We believe that
selling in the field
is vital training for agency
executives.**

EVERY one of our General and District Agents has, at one time, sold effectively in the field. The majority of our Home Office Agency Department officers have similar backgrounds. Several home office executives are also Chartered Life Underwriters.

Naturally, men with such down-to-earth understanding of life insurance selling have the best possible grasp of an agent's problems. They are able to help Northwestern Mutual agents make progress in a practical and realistic way.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
Milwaukee, Wisconsin

safeguarding tomorrow



July A Record-Breaker For State Mutual In Two Lines

July was the best month for sales of individual life insurance in State Mutual Life's history, showing a 28% increase and topping the previous month's record, set last December, by more than half a million dollars.

New premiums for individual A&S, up 76%, also set a record in July, making it the 20th consecutive record breaking month for A&S.

The company attributed the records to the steady increase in the number of career agents representing the company and to its new sales philosophy of "planned living" introduced earlier this year. This is a sales presentation that encompasses all aspects of a family's future needs, clearly indicating those areas where insurance can be of service.

The seven month sales total was 11½% ahead. The average size life policy has increased to more than \$12,000.

Sun Life Of Canada's Top Producers Win Honor Posts

Samuel Hirshmann, Johannesburg, South Africa, has been elected president of Sun Life of Canada's Top Producers Club for the fourth time. Election is predicated on production volume.

Runner-up and leader for North America, is Victor Deitch, Indianapolis, who has been club president three times in the past seven years. Julian Schlesinger, Johannesburg, ranked third in the world-wide competition. Fourth and fifth places were occupied by Canadian agents, James B. Russell, Toronto, and Miles F. Palmer, Edmonton Crossroads.

at ACACIA we get
before, not after . . .



Left to right: Joseph A. Barbeau, Manager, District of Columbia; Paul E. Vollmers, Manager, Chicago; Walter F. Szwed, C.L.U., Detroit, leading personal producer for 1958; Howard W. Kacy, President of Acacia; Harry J. Shaffer, Agency Vice President; Truxtun Perry-Smith, Manager, Sacramento; Vernon R. Zimmerman, Manager, Northern Virginia; R. Kelly Sheridan, C.L.U., Manager, Rhode Island.

La Noue Matta, Manager, Los Angeles, a member of the 1959 Committee, was not present when this photograph was taken.



Acacia Mutual
51 Louisiana Avenue

Howard W. KACY, PRESIDENT

the "Field Viewpoint"

• and we've been doing it for thirty years!

In 1929, Acacia created an entirely new concept in Home Office and Field relations by establishing its Field Advisory Committee. Since then that Committee has, as its name implies, functioned in an advisory capacity to Management. The resulting close association between Home Office and Field has avoided the "trial and error" methods customarily used in developing life insurance coverage, effective sales aids, and improved services to policyholders. In addition, it has assisted the Company in developing the most advanced plan of agent's compensation backed up by equally generous disability, death and retirement benefits. Small wonder that Acacians consider service on the Field Advisory Committee as one of the greatest honors they can achieve and why Acacia, in turn, places such a high value on this most important management-field relationship.

Pictured here is the 1959 Committee as it prepared for a series of meetings with members of Acacia's Home Office Staff. Acacia is proud to pay tribute to these men who through outstanding performance earned the right to represent their associates at the round-table conference. It is largely through their efforts and those of the men who preceded them that it is at Acacia "Where You Get Tomorrow's Protection Today."

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Life Insurance Company

Washington 1, D. C.

W. K. PRESIDENT

Home Office Changes

Bankers National Life

Howard T. Cohn has been elected associate actuary, Seymour Rubinstein has been elected assistant actuary—group, and Robert H. Wall, assistant actuary—life.

Mr. Cohn will succeed the late Edgar J. Blume as administrative officer of the actuarial department and

will be responsible for the day-to-day operations. Elmer H. Hardebeck, senior vice-president, supervises the over-all actuarial operations. After three years with Southland Life, Mr. Cohn joined Bankers National in 1953. He is an associate of Society of Actuaries.

Mr. Rubinstein was with United States Life in the group department

from 1950 to 1956. He became group actuarial assistant of Bankers National Life in 1956.

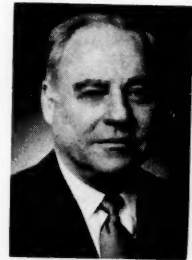
Mr. Wall, before joining Bankers National Life in 1958, was with London Guarantee & Accident and United States Life. He is an associate of Society of Actuaries.

Provident Mutual Life

Charles H. Hays, senior underwriter since 1948, has been appointed assistant insurance supervisor. He joined Provident Mutual in 1931.

Franklin Life

Charles C. Barrett has been appointed vice-president and manager of mortgage loans, and Vice-President Henry M. Lutz has been promoted



Henry M. Lutz



Charles C. Barrett

to senior vice-president of investments. Mr. Barrett joined the company in 1955 as manager of mortgage loans, having come from Greengarden Mortgage Co. of Chicago. Mr. Lutz went with Franklin in 1940 as vice-president of investments.

John Hancock

Frank W. Langham Jr. has been appointed assistant superintendent of agencies in the general agency department. He had several years' experience in sales management positions before entering life insurance with Great National Life in Texas, after which he served as agent, field assistant, manager, and finally chief agency officer of American Heritage Life of Florida.

John H. Rogers has been appointed assistant director of industrial relations in the district agency department. He has been officer in charge of the Indianapolis office of the National Labor Relations Board.

Pilot Life

The following have been appointed agency assistants: Jack Aragon, formerly with Metropolitan Life and before that a professional baseball player and manager; Frank Delaney Jr., formerly supervisor for the ordinary division in Asheville, N.C.; Dan Lomax, formerly with Aetna Life as assistant general agent in Raleigh for five years; Charles A. Rice, formerly with Mutual of New York at Tampa for three years.

Metropolitan Life

Walter R. Williams Jr., president of Union Dime Savings Bank, New York, has been elected a director. He was elected president of the savings bank in June to succeed the late J. Wilbur Lewis, who also was a Metropolitan director.

Kansas City Life

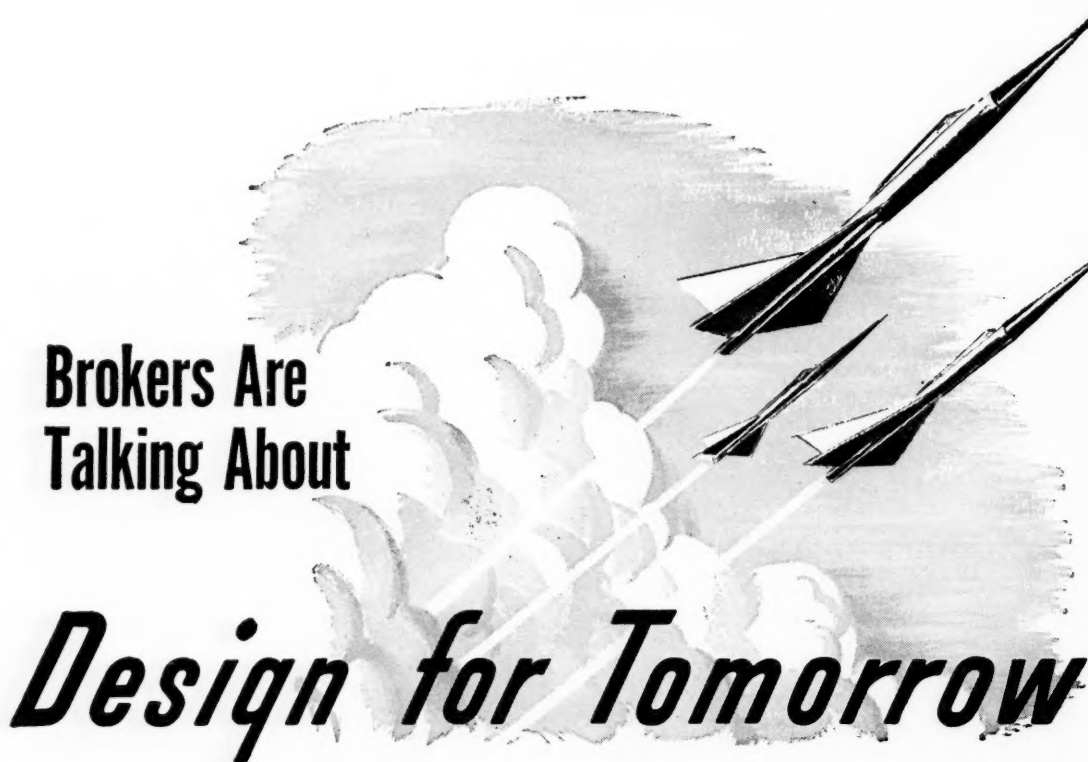
Maurice R. Smith Sr., assistant superintendent of agencies since 1954, has retired. He previously had been regional agency supervisor since 1938, except for four years in military service during World War II.

Massachusetts Mutual

Logan J. Masseé has been appointed planning secretary and Edwin L. Luippold becomes director of electronic data processing.

INTERCOAST MUTUAL LIFE has appointed Frank W. Dedman vice-president and director. He was general agent at Oakland of New England Life.

Provident Life has been licensed in Colorado.



Brokers Are
Talking About

Design for Tomorrow

—because it's the easiest way to sell life insurance!

Yes, brokers are talking about Great-West Life's "Design for Tomorrow" . . . a series of important changes in premiums, policies and dividends!

HERE ARE A FEW THINGS THEY ARE TALKING ABOUT:

- 1 A TRUE QUANTITY DISCOUNT—The premium per \$1,000 decreases as the amount increases.
- 2 THREE SPECIAL POLICIES for business and taxation fields.
 - Preferred Whole Life Par (minimum \$10,000, ages 0-70).
 - Special Whole Life Non-Par (minimum \$10,000, ages 15-70).
 - Maximum Security Par (minimum \$10,000, ages 15-70; special dividend option on minimum of \$25,000). High, early cash values!

Rates on all three reduced even further by Quantity Discount factor.

- 3 REDUCED RATES FOR WOMEN—Preferential rates on two special par plans—same high cash value and dividends as paid to men!

- 4 TERM RATES further improved by Quantity Discount.

- 5 STREAMLINED ESTATE BUILDER — Great-West's popular Juvenile plan has been made even more attractive . . . in addition, a special option for girls makes the policy Two-Plans-in-One—minimum still \$1,000.

- 6 INCREASED DIVIDENDS—For the fourth time in five years your Great-West participating policyholders benefit in this vital area . . . and interest rate on dividend accumulations has been increased to 3.40%.

And in addition . . .

- Completely new series of Retirement Income plans.
- Low-cost Home Security Policy.
- Home Security Riders to combine with any permanent plan—10, 15, 20, 25 years.
- Autopay—A real sales clincher—monthly premiums are automatically deducted from regular bank account—the greater savings are passed along in a reduced premium.

"Design for Tomorrow"—The modern way to sell life insurance.

For full details write or call us today!

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA

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7-Oct. 2

Why These Agents Sell Mutual Funds, Too

(CONTINUED FROM PAGE 10)

itude of fathers that feel they just aren't going to die.

Add to this the problems you stated in your article and you can see the life insurance agent has his work cut out for him.

The Standard Life agent who is fully licensed has a unique approach and is prepared to meet the challenge facing him. He is no longer in the mind of the prospect "just another life insurance man." He sells the most wonderful product in the world, financial protection in case of the death of the breadwinner and guaranteed dollars that are available at any time in the future for an unexpected need, AND variable equity dollars for future retirement to supplement his client's basic life insurance program.

No Incentive To Cancel

Our agents realize the importance of a solid life insurance program; therefore, they certainly haven't any desire to convince their clients they should cancel their current insurance and buy funds. Instead, they are in a most impartial position in advising their clients on both life insurance and mutual funds, each having its particular advantages and disadvantages.

Whitney, Thayer Named To New Positions In LIAMA's Research Unit

Alfred G. Whitney, assistant director of research of LIAMA, and Paul W. Thayer, associate program director in the research division, have been promoted to new posts. Mr. Whitney is appointed associate director of research and Mr. Thayer becomes assistant director.

Mr. Whitney started his business career as an accountant with the Boston & Maine railroad and taught mathematics in high schools in the Boston area. From 1942 to 1945 he was head of the calculating unit in the psychological section of the Army air force's training command headquarters at Ft. Worth. In 1945 he was transferred to the U.S. Department of State foreign service and was economic analyst attached to the American embassy in Canberra, Australia.

Joined LIAMA In 1949

He was then assigned for two years to the division of Foreign Service Personnel in Washington. Mr. Whitney joined LIAMA's research division in 1949 as research associate and in 1955 was named assistant director of research.

Mr. Thayer, in 1953, was market research supervisor for Fieldcrest Mills, Inc., where he established a consumer panel for consumer acceptance research. While a graduate student at Ohio State University he worked on a personal research project for Prudential.

Conducted Disaster Research

Later, as a research associate for the Institute for Research in Human Relations, Mr. Thayer conducted disaster research and research on night vision requirements for aviators.

He joined LIAMA's research division in 1956 as assistant program director and the following year was named associate program director.

A basic class for new men will be conducted by the SMU institute Sept. 7-Oct. 2.

Many people today are consulting their life insurance representatives for advice on the security and protection they feel is needed for themselves and their families. At the same time, they are dealing with an investment house or mutual fund agency when they desire to purchase equities. Maybe they haven't taken the time or think they can't afford to consult both. Or perhaps, because of an unwise

choice they can only afford using one plan.

Obviously the main fault is that these two ways, life insurance and mutual funds, of aiding Mr. Public are not coordinated—as you brought out in your article. Every person's case is different, yet each plan is selling itself as the only one. No two families are any more alike than the things they want are alike. And too, Mr. Average Public in most cases hasn't the time or perhaps the required training in life insurance and equities, to design a program consisting of

both of these.

Therefore, the qualified Standard Life agent is the logical solution, for he can coordinate a program that includes a carefully tailored life insurance plan to provide his client with a guaranteed fund for his family's protection and his retirement, supplemented by the purchase of Advisers Fund, Inc. shares measured for the investment of his client's surplus dollars in equities. This is the balanced program the Standard Life has named R.E.A.P., meaning Retirement Equity Accumulation Program.



American United Reinsurance experts stand ready to serve you — anywhere!

● East... West... North... South, a resident reinsurance expert from American United is ready to give you local service.

That's important. Because American United is one of America's oldest (1904) reinsurers. We've solved the technical problems, mastered methods. We've probed profits and risks, produced new ideas that have proven productive.

And we share this experience with you. That's American United's "Partnership Philosophy."

Find out how American United's reinsurance expert—backed by all the home office experience you need—can help you to better business and better profits. Call or write H. Hartzell Perry, Vice President, Reinsurance, American United Life Insurance Company, Indianapolis 6, Indiana, WALnut 3-7201.

American United Reinsurance representatives service everywhere. In the West, Alaska and Hawaii—Jim Christopher from San Francisco; in the Southwest—Jim Ratliff from Dallas; in the Midwest—Fred Kautzman from Indianapolis; in the East—Ted McClintock; in the Southeast—Fletcher Shepard from Atlanta.



AMERICAN UNITED LIFE INSURANCE COMPANY • HOME OFFICE: INDIANAPOLIS, INDIANA

ALL ORDINARY LIFE FORMS-FLEXIBLE OPTIONS-LOW NET COST SPECIALS-UNIQUE JUVENILE-GROUP INSURANCE-GROUP RETIREMENT-PENSION TRUSTS-NON-CANCELABLE DISABILITY-GUARANTEED RENEWABLE MAJOR MEDICAL-GUARANTEED RENEWABLE HOSPITAL & SURGICAL-SPECIALISTS IN SUBSTANDARD UNDERWRITING & REINSURANCE

Editorial Comment

The Initial Effort Should Be Made

In view of the tendency of people to reduce association and company names to their initials, it's obvious that the American Assn. of University Teachers of Insurance has no simple job in finding a new and less cumbersome name for itself. Not only must the name be an improvement but it must be such that the resulting initials will be neither comical, obscene, undistinctive or too weirdly distinctive, as might result from a name like Beneficial Alliance League of New York.

Utilizing the public's tendency to seize upon pronounceable initials like CARE and WAC, some organizations seem to have selected their names mainly with the idea of producing a catchy set of initials. People forget what the initials stand for. How many know right quick what CARE's letters stand for?

There are no precise rules for keeping out of trouble in this area. Three-letter combinations are pretty safe from the danger of being pronounced as words, but they have the disadvantage of not being very distinctive and also of duplicating the initials of some other organization. Thus we have AMA standing for American Management Assn. and American Medical Assn., both of which bob up fairly frequently in insurance papers. In fact, if a copy editor is dozing, AMA can also slip in as a designation for Life Insurance Agency Management Assn., which sometimes calls itself Agency Management Assn.

But four-letter combinations bring the risks (and possible benefits) of being a pronounceable word, and five-letters seem to be an irresistible challenge to word-discoverers, however great the strain on tongue and tonsils. Best known, of course, is LIAMA, variously pronounced "lee-ahma," "lye-ayma" and even "lye-ahma." "Lee-ayma" we have not so far encountered in our observations. Life Office Management Assn., with LOMA, is a close contender, particularly popular when followed by another word, as in Loma graduates, Loma Institute.

AAUTI, the initials of the American Assn. of University Teachers of Insurance,

is enough to stump any but the most determined, but you hear occasional attempts to make a word out of it—something like "aah-oo-tye." To those who can remember back that far, it sounds like the noise emitted by an old-time Klaxon horn. So certainly nothing is being lost by changing to another name that is less cumbersome.

Some of the names that have been suggested, according to the AAUTI president, D. M. McGill of University of Pennsylvania, are "American Society of Insurance Educators," which would work out to ASIE; "American Assn. of Insurance Educators," which would be AAIE, "American Assn. of Insurance Teachers," (AAIT) and "American Academy of Insurance" (AAI). None of those sets of initials would pronounce very trippingly, either as a word or as initials. In fact, anything with a doubled letter creates a pronunciation problem, especially if the letters are to be said as letters and not combined into a word.

Well, if anybody is able to come up with a good, clear understandable, meaningful name, it should be the insurance teachers, who engage daily in the work of communicating clearly. We hope the initials will be worthy of the name.—R.B.M.

Deaths

T. JEFFERSON COOLIDGE, 65, a director of New England Life, died at Beverly, Mass., following a heart attack. He had undergone an operation 10 days earlier. He was a direct descendant of Thomas Jefferson and was formerly chairman of United Fruit Co., chairman of the trust committee of Old Colony Trust Co. of Boston, and a director of other corporations. He served as Undersecretary of the Treasury under President Franklin D. Roosevelt.

DANIEL H. BAILEY, 70, who retired in 1954 as Chicago manager for New York Life, died in Miami. He began in life insurance with the company in the early 1900s and soon became an assistant manager and was put in charge of opening an office on

Chicago's west side. He was subsequently named manager of the agency, which was moved to the Field Building on its completion in about 1936. He spent the balance of his career as manager there, being succeeded on his retirement by N. Wilson Turner. Several of the company's managers today were recruited and trained by Mr. Bailey. A nephew, Jack Murray, is a New York Life manager at Indianapolis.

JOSEPH C. BARNESLEY, 71, vice-president and actuary of Guardian Life prior to his retirement in 1954, died of a heart attack. For the last several years he had been with the New York insurance department and was supervising actuary at the time of his death. A native of England, Mr. Barnesley went to Canada in 1910 and was with the Canadian insurance department for several years. He moved to the United States in 1924 and joined Guardian in 1928 as assistant actuary. He was a fellow of Society of Actuaries and an associate of the Institute of Actuaries of Great Britain. His brother, Reginald, is director of research for Great-West Life.

Personals

Leland F. Lyons, vice-president of New York Life, has been elected chairman of the graduate school in sales management and marketing of National Sales Executive International. The school offers a graduate course in sales management and marketing to business executives at Syracuse University every spring and holds graduate seminars in various cities throughout the country during the year.

Appoint LIC Chairmen

Life Insurers Conference has named the following chairmen to standing committees for the administrative year 1959-60:

Bascom T. Barnes, Home Security Life, advisory; Edley Hixson, Magnolia Life, attendance; Wyatt Smith, Home Beneficial Life, auditing; R. J. Wetterland, Washington National, business standards; Ted H. Lind, Pilot Life, credentials; J. Lon Duckworth, Life of Georgia, laws and legislation; Charles H. Kendall, Washington National, membership; Powell Stamper, National Life & Accident, public relations; Y. W. Scarborough Jr., Atlantic Coast Life, resolutions, and Lloyd A. Brewer Jr., Equitable of Washington, statistics.

The conference's second quarterly meeting of the executive committee will be in Dallas Sept. 4.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. La Salle St., Chicago, August 11, 1953

| | |
|--------------------------|---------|
| Aetna Life | 256 |
| Beneficial Standard | 16 1/4 |
| Business Men's Assurance | 41 |
| Cal.-Western States | 118 |
| Commonwealth Life | 27 |
| Connecticut General | 377 |
| Continental Assurance | 151 |
| Franklin Life | 78 |
| Great Southern Life | 84 |
| Gulf Life | 22 1/2 |
| Jefferson Standard | 93 |
| Kansas City Life | 1450 |
| Liberty National Life | 58 |
| Life & Casualty | 23 1/2 |
| Life of Virginia | 53 |
| Lincoln National Life | 228 |
| National L.A. | 109 1/2 |
| North American, Ill. | 16 1/2 |
| Nw. National Life | 97 |
| Ohio State Life | 280 |
| Old Line Life | 63 |
| Republic National Life | 75 1/2 |
| Southland Life | 105 |
| Southwestern Life | 146 |
| Travelers | 96 |
| United, Ill. | 49 |
| U. S. Life | 45 1/2 |
| Washington National | 61 |
| Wisconsin National Life | 46 |

Record Number To Get Institute Certificates

The requirements for the final certificate of Insurance Institute of America were completed by 214 persons in the examinations given in May. The new graduates are from 48 cities throughout the U.S. These certificates will be awarded at the annual meeting of the institute on Nov. 17 in New York City or at a local public insurance group meeting whenever appropriate arrangements can be made.

The over-all passing ratio for the A, B and C examinations was 73.6% and 1,054 examinations taken by 80 persons. This represents a substantial increase over the figures for May 1952, which were 862 examinations taken by 687 persons for a 76% passing ratio. Since 122 persons completed the examinations in January, 1953, 336 will receive certificates during the current year. This is a new record.

Since the first series of examinations was given in 1953 under the revised educational program, 1,558 persons have been awarded the final certificate. The next examination series will be conducted Jan. 25-27.

48,000 Pages An Hour For Mutual's Collator-Stapler

Mutual of New York has installed a collating machine capable of handling, including stapling, 48,000 pages an hour. The collator, first of its kind to be used by an insurance company, has bottom delivery to permit continuous loading while in operation.

The machine was built for Mutual by Parnat Business Machine Co. of New York. It can collate and staple as many as eight pages at a time. It will take pages of all weights and ranging in size from 3 x 5 to 9 x 12 inches.

A warning system flashes a red light at the appropriate feeding location, or station, whenever a page is skipped or inserted twice. The collator also contains an electronic counter which records the completion of each set of pages.

The machine is 12 feet long, four feet high and weighs half a ton. It had to be hoisted through a second-story window to be installed in the duplicating department.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Life and A&S Insurance

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Barbara Swisher, Editorial Assistants

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. **CHANGE OF ADDRESS:** Enclose mailing wrapper and form 3579 with new address, and allow three weeks for completion of the change.



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George E. Wohlgenuth, St. Louis
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Guardian V-P Gives Joint Congressional Committee Suggestions On Fiscal Points

WASHINGTON—The ability of the federal government to finance itself



G. T. Conklin Jr.

and manage the national debt so as to further the attainment of the goals of full employment, sustainable economic growth, and general price stability is of paramount importance to the country, George T. Conklin Jr., vice-president (finance), of Guardian Life, New York City, told the congressional joint economic committee at a hearing.

Testifying at the request of the committee chairman, Sen. Douglas, in connection with the committee's hearings on the government's management of its monetary, fiscal and debt operations, Mr. Conklin was accompanied by Sherwin C. Badger, financial vice-president of New England Life, James J. O'Leary, director of Economic Research of Life Insurance Assn., New York City; Robert B. Patrick, vice-president of Bankers Life of Iowa, and Richard K. Paynter, chairman of the finance committee and executive vice-president of New York Life.

Cites Inflation's Destructiveness

A national policy of inflation, Mr. Conklin stated, would have destructive consequences for economic growth and economic and political democracy. Inflation, resulting in a continuing decline in the value of the dollar, will eventually destroy the willingness of the American people to save voluntarily and in turn irreparably damage the economic growth process. Furthermore, the decreasing willingness of the people to purchase government bonds leads to the issuance of an ever-increasing portion of short-term debt, he said. In addition, persistent inflation breeds a multiplicity of government controls which curb the free market economy, adversely affecting economic and political freedom.

Broadening Market For Governments

Turning to the need to broaden the market for government bonds, Mr. Conklin suggested four basic steps:

1. Both the executive and legislative branches of the government should use all appropriate policies to bring an end to inflation, including the retirement of some of the federal debt and amendment of the employment act of 1946 to emphasize the importance of general price level stability.
2. It should be continuously emphasized that the only source of real growth in the national economy is saving and the investment of savings in capital goods.
3. The tax system should be studied carefully to eliminate forms of taxation that unnecessarily discourage saving, and interest rate policies of the federal government should be reexamined toward the same end.
4. If the Treasury is to raise long-term funds on a sound basis, it must pay the interest rate required to bid funds away from other users.

Conclusions regarding several specific questions of federal financing and debt management were summarized by Mr. Conklin as follows:

"Debt management should not be regarded as an important tool to be

employed by the government in combating the business cycle. Government efforts to counteract the cycle have much greater potentialities in the area of monetary and fiscal policy. The objective of lengthening the average maturity of the federal debt has proved so elusive, yet is so important, that the Treasury should be alert to the opportunity of selling long-term bonds even in periods of general business slack.

"Treasury financing and debt management operations should be aimed primarily at developing a balanced maturity distribution of the debt, with a substantial proportion of the debt in intermediate and longer-term issues. . . . In particular, from the standpoint of the Federal Reserve and the objective of sustainable economic growth without inflation, an orderly spacing of maturities and a reduced frequency and size of refunding operations would allow far greater freedom to pursue credit policies consistently.

Competitiveness Is Vital

"In order to bring non-bank investors such as mutual savings banks, uninsured pension funds, and life insurance companies back into the government bond market as net purchasers, the all-important step is for the Treasury to offer an interest return fully competitive with the yield available on other investments such as residential and commercial mortgages and directly placed corporate bonds. In addition, it is desirable that non-bank investors be permitted to pay for government bonds on a deferred basis. . . .

"The Treasury should give serious consideration to advance funding of some portion of the debt which has

(CONTINUED ON PAGE 25)

Republic Natl. Leaders Meet, Hear Goal For \$3 Billion In Force

The four-day sales congress of Republic National Life at Mackinac Island this week was attended by 272 leading producers and home office executives and members of their families. The company's top agents were given the incentive for further achievement by President Theodore P. Beasley, who set Jan. 1, 1961, as the date for reaching \$3 billion of insurance in force.

The program included branch office, general agency and brokerage conferences to acquaint agents with new sales opportunities being offered by the company.

Awards Presented

C. J. Skelton, senior vice-president and coordinator of production planning, was master of ceremonies at the banquet which was followed by presentation of awards. J. Carl Kuehn, Wichita Falls, Tex., won the A&S leader plaque and the policyowner's service trophy went to the Scott agency of Wichita Falls.

Other awards went to Jack Oltorf, Midland, Tex., life volume and premium income leader; the Ulinger agency of Phoenix, outstanding branch office; and the Jimenez agency of San Juan, P.R., general agency of the year. President Beasley presented plaques for the president's appreciation month contest, won by the Jimenez agency, and for individual production of life volume and premium, won by John Freeman, San Antonio.

He's on the
RIGHT ROAD
with
Equitable Life
of Iowa's

SALES KITS



Among many sales aids provided by the Equitable Life of Iowa are these Sales Kits covering four major needs. Each has been field-tested and proved for its effectiveness. The field associate who really uses these Sales Kits is a long way on the Right Road to success as a Career Life Underwriter.



Equitable

LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

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Changes In The Field

New England Life

Thomas Rand has been appointed a group representative in Chicago. He joined New England Life in 1954 and has been group representative in Los Angeles since then except for two years' military service.

Prudential

Anthony B. Patti has been named

staff manager at Milwaukee. Prior to his promotion, Mr. Patti had been a sales representative there for the company. Before joining Prudential in 1954, he had been with New York Life.

Massachusetts Mutual

Samuel I. Preston has been appointed supervisor at New York. He has been in the life business since

1951 and joined Massachusetts Mutual in 1958.

Richard C. Beverly has been named district manager at Eau Claire, Wis. He has been with the company since 1955.

Northwestern National

Warren B. Smith has been named general agent at Cleveland succeeding Warren H. Smith (his father) and Vernon Kroehle, both of whom are retiring to devote their time to personal production. The younger Smith

has been with Northwestern since 1956, most recently as supervisor in Chicago.

The senior Smith entered the business in 1923 and has been general agent at Cleveland for the company for 25 years. Mr. Kroehle has been in the business since 1922 and formerly with Mr. Smith, the Smith & Kroehle agency in 1934.

John Hancock



Charles W. Hoover

He was promoted to manager of sales promotion and then superintendent of agencies. Mr. Hoover is a CLU.

Franklin Life

J. Frank Strawn has been appointed agency supervisor at Raleigh, N. C. He has been with the company since Jan. 1, 1948 and will be associated with Henry Grady, regional manager, at his new post.

Paul Revere-Mass. Protective

Appointed general agents are: Harry E. Spoerndle at Cleveland. He joined the companies at Akron in 1956 and became supervisor there in



Harry E. Spoerndle



Ralph A. Stoughton

1957. Early this year he was named training supervisor of the eastern sales region.

Ralph A. Stoughton at Buffalo, N. Y. has been training supervisor in the eastern sales region since 1957 and before that was with Mutual of New York at Portland, Me., and Manchester, N.H.

Employers Life

Named managers are: Ernest K. Sidlo at Cleveland, where he has been assistant manager for Equitable Society. He entered the life business in 1954.

Carl A. Culver at Detroit, where he has been assistant manager of Continental Assurance. Mr. Culver, who



Running the Ferry

Upon the death of his father, George Washington inherited a considerable amount of land including Ferry Farm which lay close to the Rappahannock River in Virginia. To supplement the income of his inheritance which was mostly land, he sometimes operated the ferry across the river to Fredericksburg.

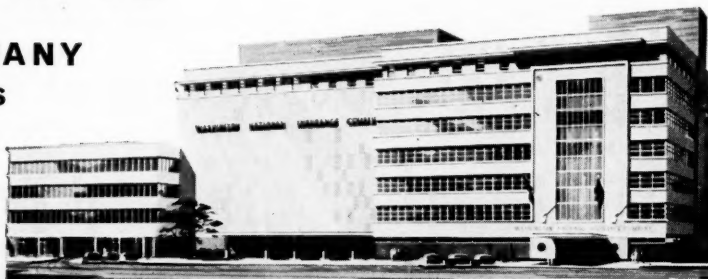
This reproduction is one in a series of eleven original oil paintings by Walter Haskell Hinton which portray little-known events in the life of our Country's first president, George Washington.

A booklet containing full-color reproductions of all eleven paintings is available upon request. In addition, we hope you will visit us and view the original paintings which hang in our Home Office gallery.

Washington National

INSURANCE COMPANY
EVANSTON, ILLINOIS

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GROUP • SICKNESS
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ARCHITECT'S SKETCH OF OUR NEW HOME OFFICE BUILDING

Service Guide

ACTUARIAL COMPUTING SERVICE, INC.

1389 Peachtree Street, N.E., Atlanta 8, Georgia, P.O. Box 6192. Telephone TRinity 5-6727.

is a CLU, has been in the life field since 1949. Norman A. Nestler at Milwaukee. He has been supervisor of Phoenix Mutual there. John E. Bade at Louisville, where he has been associate manager for Commonwealth Life. Christopher L. Daly Jr. at San Francisco. He is a former district manager of New England Life at Concord, Cal.

Mutual Benefit Life

Robert J. Haase has been named general agent of the newly opened general agency at El Paso. He entered the life field in 1946 as an agent of Equitable Society there and became district manager in 1950.

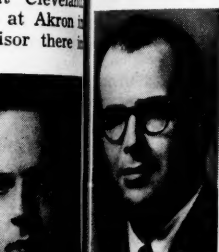


Robert J. Haase

Security Mutual Of New York

Maurice W. Pomfrey has been appointed general agent at Syracuse. He has been supervisor of State Farm at Harrisburg and Syracuse. From 1948 to 1954 he was with Nationwide, first as superintendent of claims at Hartford, then in group sales at Columbus, O., and as district manager at Cleveland.

National Life Of Vermont



Thomas B. McAuley

Thomas B. McAuley has been appointed general agent at Albany, where he has been supervisor of New England Life. He entered the life business in 1954 with Equitable Society.

Manhattan Life

Edward J. Leonard has been named supervisor at New York. He has been a supervisor with Prudential, Colonial Life, Berkshire Life and Mutual of New York.

Pacific Mutual

G. William Abrell has been appointed manager at the Oakland mortgage loan office. He joined the company as loan representative at Oakland last year.

Great-West Life

A. V. Laberge has been appointed branch manager at Sherbrooke, Que.

Provident Mutual Life

Lucien A. Hauslein, general agent at Philadelphia since 1944, has been named associate general agent and C. Richard Mattis, former co-general agent there, becomes manager at Havertown, Pa. Mr. Hauslein, a CLU, joined Provident Mutual in 1933. He is past president of Philadelphia Life Underwriters Assn. and director of Pennsylvania Life Underwriters Assn. Mr. Mattis, who has been with the company since 1945, was appointed co-general agent in 1954. In Decatur, Ill., W. Lawrence Rotz,

general agent, is named associate general agent and James E. Williams, supervisor, becomes manager. Mr. Rotz is a former Illinois state senator. Mr. Williams joined the company in 1948.

ACME UNITED LIFE of Atlanta has appointed James C. Young supervisor of northern Alabama at Huntsville and M. C. Wetherington of Valdosta, Ga., agency supervisor for southern Georgia and adjoining northern Florida counties.

MINISTERS L.&C. has appointed Leo M. Lindberg regional secretary for southern California at Los Angeles. He had been with Ohio National for nine years.

MICHIGAN LIFE has appointed Markham Corp. of Grand Blanc as Flint area agency for the company.

AMERICAN FOUNDERS LIFE has opened an office at 613 North Valley Mills Drive, Waco, with Troy Tipton as manager.

Travelers Makes Grants

Travelers has presented grants to six Connecticut colleges and universities whose graduates have become associated with the companies.

Grants this year were Trinity College, \$7,500; Yale University, \$6,500; Wesleyan University, \$3,500; St. Joseph's College, \$1,500; Connecticut College, \$1,000, and Fairfield University, \$1,000. The grants are based on a formula that takes into consideration present employment experience which may vary from year to year.

Jefferson Standard Paid Business Is \$111,543,762 In First Half

Jefferson Standard Life's paid-for business during the first six months totaled \$111,543,762, closing the period with a net gain of \$52,045,059 in insurance in force. Jefferson Standard directors declared a regular quarterly dividend of 25 cents per share payable Aug. 11 to stockholders of record Aug. 3.

Frank H. Janello, Carbondale, Ill., has been honored by Franklin Life as general agent of the month for July.



Increasingly Important

The importance of the training required to earn the designation of Chartered Life Underwriter—symbolized by this key—is very definitely growing year by year. One indication of this is the growth in paid memberships in the American Society—from 2,264 in 1950 to 4,718 at the close of the 1957-58 year.

There are many other indications of the increasing importance of the degree: various measurements of what happens to those who become C.L.U.s, the growing number of candidates who pass examinations, the ever-larger group of individuals who are studying to prepare for the C.L.U. examinations, etc.

Doesn't the increasing importance of this professional designation suggest to you that it would be worth your while to explore what C.L.U. study might do for you? You can get more information about C.L.U. activity in your community through your local life underwriters association.

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Each year more Americans plan their future financial security through investing in Modern Woodmen life insurance. They know that Modern Woodmen means modern life insurance.

MODERN WOODMEN
OF AMERICA
Home Office --- Rock Island, Illinois

What Should LIA Do On Policy Matters?

(CONTINUED FROM PAGE 1)
formulate a unanimous opinion—evidence, incidentally, of vigorous growth and wholesome competition.

"In an organization like the Life Insurance Assn., when it becomes impossible to reach an agreed position on an important issue, it is usually necessary for the association and its representatives, including its trained staff, to step aside and let its individual

companies pursue their own actions according to their own positions," he said. "This is hardly a satisfactory conclusion."

Action May Be Resented

"The association's effectiveness is similarly impaired when it may take only a limited position on an important issue, as was so in the case of the company federal income tax legislation. Member companies tend either to regard association staff action as inadequate, or resent it as interfering with their own position and activities.

"Recognizing the diversity that exists in an industry as competitive as ours, we might do well to re-examine the existing rules and procedures of the association to see if they could be modified to deal more effectively with such situations."

Fitzgerald Is Chairman

Chairman of the new committee is Edmund Fitzgerald, chairman of Northwestern Mutual Life. Other members are Millard Bartels, chairman of the insurance executive committee of Travelers; Horace W. Brower, president of Occidental of California; Deane C. Davis, president of National Life of Vermont; Frederic W. Ecker, president of Metropolitan Life; Howard Holderness, president of Jefferson Standard; Walter O. Menge, president of Lincoln National; H. Ladd Plumley, president of State Mutual Life; Carrol M. Shanks, president of Prudential, and Travis T. Wallace, president of Great American Reserve.

Union Mutual Employees Fight Inflation With Petition Campaign

Home office employees of Union Mutual Life, in a concerted move to do something about creeping inflation, have sent petitions to Maine's two senators, Edmund S. Muskie and Margaret Chase Smith, and to representative James C. Oliver.

The petitions, which bore the signatures of all Union Mutual's home office staff not away on vacation, read in part:

"We are growing more and more worried about inflation and the depreciation of our dollars. If our government continues to spend more than it takes in, we most certainly will have more inflation and our dollars will buy even less. If this happens, our savings, insurance benefits, pensions and social security will be worth less also. We urge you to vote only for the most essential of expenditures."

Letter To Newspapers

The action was an outgrowth of a letter to Portland newspapers from Carleton G. Lane, senior vice-president, congratulating them on their anti-inflation stand.

In his letter, Mr. Lane said, "Everyone stands to gain by preventing further devaluation of our money—there can be no losers. Inflation, like so many things that are not good for us, can be made to appear most attractive. As Americans we must wake up and do our part to stop further inflation. Let's tell our representatives in Congress that we are fearful of the consequences of further inflation and insist that they take the necessary actions to keep our dollar sound."

President Rolland E. Irish, endorsing the anti-inflation sentiment, had clippings of Mr. Lane's letter posted in the home office with the observation, "If you are like most of us, you mean to do something about it (inflation), but the routines of daily living cause it to be postponed until it is too late. So, let's not put it off another day."

Petitions were circulated shortly afterward and met with an enthusiastic response.

Conn. General Honors Hires Co. On 40th Year Of Its Group Plan

Officers and veteran employees of the Charles E. Hires Co., root beer manufacturers, were guests at a luncheon at Philadelphia's Barclay Hotel given by Connecticut General to celebrate the beverage maker's 40th anniversary of its group plan.

Howell For High Cash Value Policy

(CONTINUED FROM PAGE 1)

controlled so as to eliminate abuses. "I think this policy has gotten out of hand" he said, "and action should be taken in this state, just as it has been in New York."

Mr. Howell said he had turned over a copy of the new New York regulation to W. Harold Bittel, New Jersey department actuary, for his study and report.

Mr. Howell said he had been considering for some time the problems involved with the high early cash value policies, particularly in view of complaints received from insurance companies whose policyholders have been cancelling policies so as to buy new insurance on the minimum deposit basis. He said there has been a high lapse rate and the coverage has often proved to be too expensive for policyholders other than those who are quite well off.

No Statutory Powers

Remarking that he does not have the statutory powers to enable him to act directly as Superintendent Thacher has done in New York, Mr. Howell said that New York's exercise of extraterritorial powers in its new regulation may be enough to stop the sales of high early cash value policies in other states, including New Jersey, but if this extraterritorial power does not apply in New Jersey—a point that Mr. Bittel is studying—then it will be up to the New Jersey legislature to take action.

Commissioner Howell said the legislature has authorized the formulation of a new insurance code and this could embody all the necessary controls for high early cash value abuses. However, the revision commission authorized by the bill has not even started its work because the legislature made no appropriation.

NALU Endorses Bill Upping Vets' Pensions

(CONTINUED FROM PAGE 4)

and/or a substantial reduction in the national debt."

In the event that the Senate finance committee does decide to report out HR 7650, NALU recommends these amendments:

1. The maximum annual income limitations should not be increased because such action would add to the pension rolls a large number of people whose total income in many cases would be substantially more than the income received by taxpaying citizens.

Subject To Law

2. That all income received by a veteran or his widow or children, other than donations from private or public relief or welfare agencies, be made subject to the income limitations of the law.

3. All income of a veteran's spouse, except \$1,200 or 50% of her earned income, whichever is greater, shall be considered as the income of the veteran.

Connecticut General's Smerling agency in New York City has moved from 295 Madison Avenue to 60 East 42nd Street.

Provident Life has been licensed in Nevada.



NEW HOME—ORLANDO, FLA.

NEW COMPANY—PROTECTIVE LIFE

NEW INCOME—\$3,886 EARNED IN 3 MONTHS



J. Edward MacEachon — his success story is typical of many enjoyed by representatives of Protective Life.

For information about Protective Life General Agency opportunities, write Charles B. Barksdale, Agency Vice-President.

J. Edward MacEachon is a new resident of Orlando, Fla. He moved there in late 1958 with his wife and two sons. In the few months since then the whole family has fallen in love with Florida living.

Ed is also a new representative of Protective Life with the K. D. Cash Agency in Orlando. He joined Protective Life with 14 years' experience in the life insurance field, and an impressive record of production with other well known companies.

Ed joined Protective Life because it gave him the opportunity to live in Orlando, and because of his increased income earning potential. Since the move, Ed has almost doubled his earnings. During the first three months, he earned \$3,886.26 in commissions.

The MacEachons are happy in Orlando. Ed is happy in his association with Protective Life. The Company is pleased and proud to have Ed as a representative in the thriving Orlando vicinity.

The future looks bright for Ed MacEachon and his family.

PROTECTIVE LIFE

William J. Rushton
President

Serving the South
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA

Guardian V-P Gives Congress Committee Fiscal Suggestions

(CONTINUED FROM PAGE 21)

come into the shorter maturity ranges. The investment series B bonds would present a good possibility for advance funding. In addition, the Treasury should consider the desirability of combining an advance funding operation with a cash offering of a long-term bond.

Interest Return Needs Upping

"In order to encourage the purchase of U.S. savings bonds, the interest return on such bonds should be raised in line with the return on private investments. In addition, the Treasury should also provide a system of incentives to the securities market to promote the sale of savings bonds.

"It would be a serious mistake, to say the least, for the Treasury to introduce a 'purchasing power bond' in which the amount paid at maturity (or the amount of interest) is tied to some price index such as the index of consumers' prices. This would be tantamount to admission of defeat in the struggle to halt inflation."

Opposes Federal Support

Mr. Conklin concluded by stating his opposition to Federal Reserve support of the prices of government securities:

"A return to the policy of Federal Reserve pegging of the prices of government bonds, as followed in the decade prior to March, 1951, would be disastrous in that it would place our country on the road to ruinous runaway inflation. It would force the monetary authorities to foster an uncontrolled expansion of our money supply, thus promoting a sharp and accelerating rise in the cost of living, and would actually drive up interest rates on all other forms of debt except government securities."

LIAMA Report Studies Policyholder's Ideas Of Adequate Coverage

A policyholder's satisfaction with the amount of life insurance he owns and his intention to buy more sometime in the future depend, not alone on his income and present coverage, but also on what he thinks people like himself ought to own, according to a research report, "Life Insurance Goals," published by LIAMA.

LIAMA researchers suggest that one method of raising the goals of policyholders might be to let them know about the actual level of ownership among various segments of the public. The survey, for example, indicates that many people misinterpret or do not know the amount of life insurance held by others.

A second method of raising goals suggested in the report might be to help heads of households to understand the variety of needs that must be covered if they are to provide adequate benefits for dependents.

Mich. Bill Would Boost Tax On Domestic Insurers

A bill has been introduced in the Michigan senate to increase the existing franchise fee collected from domestic insurers from five mills per dollar paid-up capital, surplus and "unassigned funds" to 7.5 mills, and to remove the present payment ceiling of

\$50,000 per year.

The sponsor of the bill, Sen. Christman of Ann Arbor, explained that it would be "available" as a stop-gap measure for additional revenue, if needed. He estimated that it would yield approximately \$1 million annually.

The present fee is collected in lieu of all other taxes against Michigan insurers with the exception of real and personal property levies.

Conventions

Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.

Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.

Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.

Sept. 20-23, National Fraternal Congress of America, annual Sheraton Hotel, Philadelphia.

Sept. 24-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.

Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.

Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.

Book On Motivation For Agency Managers Published By LIAMA

LIAMA has published a book on motivation for use by agency managers titled "Motivation Through Campaigns, Contests, Conventions, Recognition," and written by Richard N. Boulton, LIAMA senior consultant.

Pointing out that motivation is not a substitute for a good management job, LIAMA said it still spurs agents to consistently use the basic knowledge and skills they have learned. The book discusses various kinds of motivation and tells how they can be used to advantage.

It also brings out the importance of running sales campaigns and the best methods of handling them as well as pointing out the possible pitfalls of the pressure of campaign production.

A discussion of agency contests is also included with advice as to when they should be scheduled, choosing a contest theme and how one should be run.

Some of the other subjects covered

by the book are company conventions and the various means of showing recognition to outstanding producers, such as personal conferences, personal letters, honor rolls and clubs, and publicity.

Tennessee Agents Elect C.A. Burnette President

Conner A. Burnette Jr., Minnesota Mutual, Knoxville, was elected president of Tennessee Assn. of Life Underwriters at the annual convention in Nashville. Other officers are Aubrey Reed, Equitable Society, Jackson, 1st vice-president; Jeffie Johnson, Provident L.A., Chattanooga, 2nd vice-president, and Willis Jackson, Shenandoah Life, Knoxville, secretary-treasurer. James W. Wood, Fidelity Mutual, Nashville, was named national committeeman.

NALU Trustee David M. Blumberg, Massachusetts Mutual general agent at Knoxville, reported on activities of the trustees, plans for the building fund's drive, and the arrangements and program for the NALU convention in Philadelphia.

What *Else* does a Thinking Man Think about?

Weightlessness? The Summit? Cars? Girls?

Probably. But a lot of them are also thinking about insurance and National Life (over 8,500,000 policies in force).



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

Booklet Tells Life Insurance Superiority

(CONTINUED FROM PAGE 6)

things that mutual funds cannot do for the investor:

1. They cannot avoid declining yields from dividends as the prices of stocks rise. They must either pay lower dividends on their shares or buy inferior stocks that promise higher returns.
2. They cannot avoid speculative risk either by diversification or specialization.
3. They cannot escape a general de-

cline in the market.

4. They cannot possibly guarantee the investor's savings.

Mutual funds, said Mr. Haney, are vulnerable to over-buying or over-staying in a rising market—unless they stop selling their own shares. (The money received by a fund for its share is almost invariably used to buy more stocks—so they tend to keep buying even as prices go higher and

higher.)

The idea of buying term insurance and investing the difference in cost between term and permanent policies in equities, with the expectation of far greater profit, is an appealing one, Home Life concedes. It appears to provide the security of life insurance and, at the same time, to free dollars for an investment program.

"Is there a catch?" the booklet asks.

"Let's see.

"Suppose a man of 45 is considering the purchase of common stocks on a long-term basis but at the same time

recognizes his family's need for about \$35,000 of life insurance. The premium, which is approximately \$1,200 a year, is all he has to invest, so he must decide on one of two alternatives: He can buy the ordinary life and forget about the stock investment or he can buy less expensive five-year renewable term insurance and 'invest the difference.'

Examines 20-Year Results

"Let's examine the results over a 20-year period of the alternatives. 'We assume our investor is in a 30% tax bracket (joint taxable income of about \$12,000-\$16,000) and his income never increases. Because he wants 'expert' management, he decides to invest in a typical mutual fund. He must pay an 8% loading fee on each purchase, income tax on dividends received each year and a capital gains tax on realized profits.

"His dividends are assumed to average as much as 3.4% a year. It is further assumed there will be a capital growth of 3% per year, which is more than the historic performance of stocks over the past 75 years. To make this performance work, the investor must continue it month after month for 20 years, undismayed by fluctuations in market prices.

"How much does he have available for investment in mutual funds? It varies each year, since he must apply for a reduction in the amount of term annually in direct proportion to the growth of his equity in the mutual fund. However, the total of his term insurance and fund holdings will never be less than \$35,000 and the amount invested for premium and new stock purchases will remain constant at \$1,200.

"By investing \$1,200 in mutual funds and term insurance, this individual would accumulate \$21,293 over the 20 years, after taxes. By buying ordinary life insurance, he would accumulate \$21,433 of cash value and policy dividends (based on a typical 1959 dividend scale) less taxes (on interest credited in accumulating dividends) of \$322, for a balance \$21,111.

"In other words, the ordinary policy would be worth practically the same as the term-investment combination at the end of 20 years—and the cash value of the ordinary policy, amounting to \$16,061, is guaranteed. Furthermore, in those states where a state income tax is payable, the results would be heavily in favor of the life insurance alternative.

Continue Or Convert

"With ordinary life at age 65, the investor could continue his permanent insurance or he could convert to an annuity at guaranteed rates prevailing 20 years earlier. In his term-investment program he has no such choice. If at his age 65, the investor finds that the stock market is in a slump (and who can predict what conditions will be 20 years hence?), he would be hurt by liquidating and buying a guaranteed annuity."

Home Life also shows what would happen in the case of an investor 30 years old. Under the same set of conditions, here are the results: The term-plus-investment program would accumulate \$25,210 over the 20-year period, compared to \$23,863 in ordinary life, after taxes. Averaging the difference between the two programs over the years, the investor would be gaining \$67 a year for the 20-year period.

"The investor might feel pretty good about that \$67 a year," Home Life comments. "But consider the problem for a moment. If his income went up or taxes increased at any time during

Mr. Agency Builder:

STRIKE IT RICH!

You can "Roll a Strike" every time with Columbus Mutual's Agent's Contract, Induction Program, and Sales Packages—because your agents make money and you make money with:

Top Commissions on Leading Par and Non-par Policy Contracts.

Vested Renewals.

Higher Lifetime Compensation in Service Fees.

Non-Contributory Pension Plan.

Free Group Life Insurance.

New Induction Program—completely flexible for new agents, established producers, and brokers alike.

Profitable, success-proven Sales Packages.

Practical, easy-to-use Visual Presentations.

Streamlined Rate Books for Maximum Production in Minimum Time.

Unexcelled Aut-O-Check and Check-O-Matic premium payment plans.



FOR YOU

Well-balanced General Agent's Contract providing liberal overwriting and liberal expense allowance.

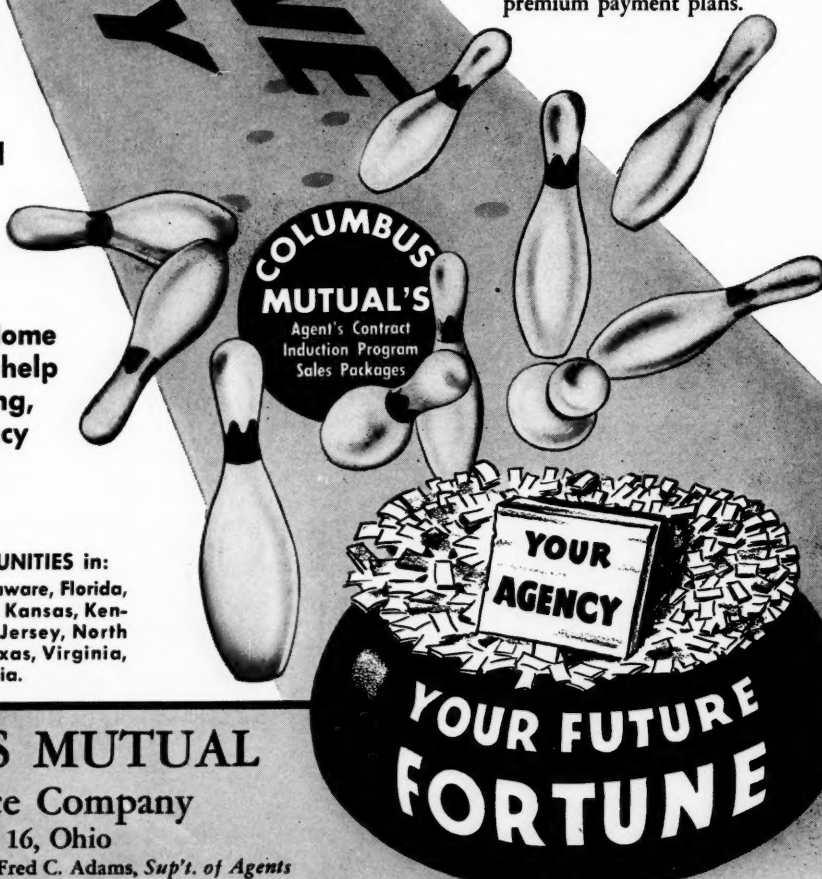
PLUS

Friendly, effective Home Office assistance to help you in your Recruiting, Training, and Agency Building Program.

AGENCY-BUILDING OPPORTUNITIES in:
Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D.C., and West Virginia.

COLUMBUS MUTUAL
Life Insurance Company
Columbus 16, Ohio

Frederick E. Jones, President Fred C. Adams, Sup't. of Agents



the 20 years, or if a state income tax became payable, the \$67 'profit' would be substantially reduced or converted to a loss. Even if none of these eventualities occur, is \$67 a year worth the worry involved in the hazardous investment program, after which the investor might find that life insurance is still required and must be purchased at greatly increased cost?"

The Home Life booklet emphasizes that investment in stocks, mutual fund, or other equities can have a place in family financial planning, but—and this is a point that all responsible stock brokers and fund managements are agreed upon—no such program should be taken until the family's security rests on a solid foundation of life insurance.

Has Distinct Advantages

"Compared with equity investments, life insurance has a number of distinct advantages," the booklet continues. "It is the only investment program that can be completed whether the investor lives or dies; that guarantees a given amount will be available at a given time, from the first year on. There's no need for the investor to check the

latest edition of his newspaper to discover the status of his family's security. Life insurance can guarantee to the investor a life income—something no stock or fund can do.

"In stocks or mutual funds, there is little choice as to how you can collect your equity at the end of the investment period. A life insurance contract provides the beneficiary or the policy owner a variety of options—cash payments, funds held at interest, installment payments, life income, or almost any combination.

Provides Great Flexibility

"The life insurance investment also gives great flexibility in the use of dividends. They may be taken in cash, used to reduce premium payments, left to increase the policy's cash value, or used to purchase more paid-up insurance.

"No stock or mutual fund plan offers such flexibility.

"Life insurance offers an investment which because of its social importance has tax advantages to policy owners and their beneficiaries. For example, proceeds paid in one sum to beneficiaries are exempt from federal income taxes. When proceeds are paid out in installments, the part of each payment representing principal is income-tax-free. Furthermore, a widow can also exclude from her gross annual income up to \$1,000 of the interest element of such payments.

"As financial writer M. S. Rukeyser has said: 'Life insurance property leaves no uncertainty whatsoever as to the number of dollars available at the time of family need or desire. On the other hand, the investor in common stock or other equities, including land and buildings, puts his heirs in a speculative position where the fruits will depend on the time when they are plucked. Experience has shown that no one has yet found a way to synchronize his own life cycle with the ebb and flow of the business cycle.'"

Discussing life insurance as an investment with unique features, the Home Life booklet says: "Peace of mind is an overworked phrase, but to the owner of life insurance it has potent meaning. The knowledge that loved ones are assured of financial security no matter what the future brings is a powerful, creative force in everyday living. It moves men to have more purposeful, more productive lives—free of the gnawing fear that what they are doing will adversely affect their family's security. Instead of restricting a family's budget, adequate life insurance often permits more freedom than ever to spend current income on the good things of life."

Cites More Examples

The booklet cites some specific examples to prove this point. Dr. John Brewer was a department head in a leading Minneapolis hospital. He earned a substantial income and provided his family a high standard of living. But he was dissatisfied with his progress. Dr. Brewer's fondest ambition was to take part in specialized medical research.

Life insurance enabled him to do it. In his discussion with a Home Life agent, it developed that the only obstacle to his taking a research assignment was that such a position paid less and thus, he thought, would hurt his family's future security. The Home Life agent analyzed the doctor's budget and found that even on a reduced earnings basis life insurance could guarantee income sufficient for his family if he died and for his retirement if he lived.

When Dr. Brewer was confronted

with this analysis, he decided on the spot to make his dream come true. Today, he is an outstanding research man at the midwest's most famous medical clinic.

Another Home Life policy owner, Frank Warnow, a Los Angeles salesman of electrical equipment, found that life insurance meant peace of mind to him as he faced serious surgery and a year-long period of hospital confinement that followed. He had bought a \$10,000 policy with additional family income protection five years earlier and now, for the first time, he appreciated what it, and the rest of his life insurance, meant. Restricted to his bed, and unable even to sit up, he nevertheless felt compelled to write to his Home Life agent:

Letter To Agent Quoted

"During this past year I have had a great deal of time to . . . evaluate many things that have taken place in my life. At the times when my morale was in danger of slipping a little bit too low, I was able to lift it up with the thought of what my planned estate was doing for me.

"First, it has given me relief from

any fear that my wife and three children would not be provided for, if anything should happen to me.

"Secondly, it has given me much personal satisfaction to know that even though my financial assets, other than insurance, have been considerably reduced, I still have an above average estate.

"Thirdly, my planned estate is the one thing that has remained stable and has given me hope for the future, a foundation on which to start building anew when I am back on my feet again."

Gave New Financial Outlook

Another policyholder, a successful young project engineer at a Los Angeles aircraft plant, bought \$30,000 of Home Life insurance. When it was integrated with his other assets, under the company's planned estates service, the result gave the engineer and his wife a new financial outlook. As they expressed it to the Home agent, they now knew for the first time how much money they must save and—just as important—how much money they could spend.

The Home Life booklet cites a num-

IN
2
YEARS

SUN LIFE HAS OPENED
TWENTY-FOUR
NEW BRANCH TERRITORIES

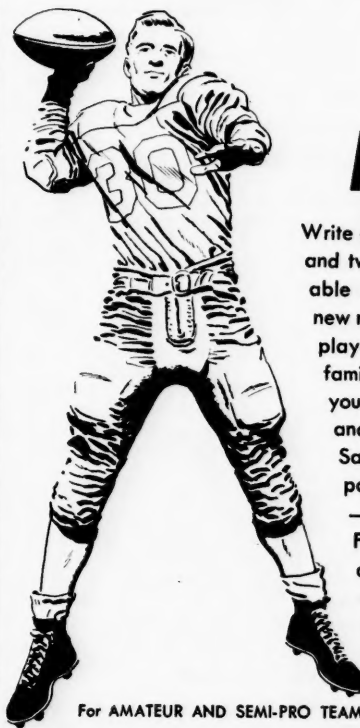
IN NORTH AMERICA
TO SERVE THE
EXPANDING BUSINESS
OF ITS REPRESENTATIVES.

SUN LIFE IS
A PROGRESSIVE COMPANY IN A
PROGRESSIVE INDUSTRY.



\$3 billion paid in policy benefits

Profitable Production with ACCO'S POPULAR SPORTS Accident Plans



For AMATEUR AND SEMI-PRO TEAMS

Write accident insurance for ONE football team and two things happen: (1) you make a profitable group sale and (2) you have 30 fresh new names to add to your prospect list. (Those players need other kinds of personal and family insurance.) When you write a league, you get nearly FOUR times the earnings . . . and four times the prospects!

Same thing with basketball. A single team policy nets you 12 prospects . . . a league —72 prospects.

Football and Basketball players need accident protection and for years Acco agents have been able to offer the preferred plans. Some of the largest sports organizations in the country choose Acco accident programs year after year.

For more details, just mail the coupon.

(Football plans are available in all states except Iowa, Fla., Tex., Calif. Basketball: All states except Iowa and Calif.)

AMERICAN CASUALTY
60 Branch and Service Offices Coast-to-Coast

AMERICAN CASUALTY CO., READING, PA.

Please send details about your accident programs for amateur and semi-pro FOOTBALL and BASKETBALL TEAMS.

Name _____

Address _____

E

ber of examples of the ways in which life insurance operates to help the policyholder. It concludes thus:

'Plenty Of Life Insurance'

"One morning a train loaded with commuters bound for New York City hurtled over an open drawbridge and plunged into the black waters of New York Bay. Many were killed or injured. One survivor, asked by a newspaperman to describe what passed through his mind when he hit the water, replied:

"Thank God, I've got plenty of insurance." . . . Seven words with universal meaning . . .

"No investment, in good times or bad, pays off so productively. No other investment guarantees security for so many American families—today and tomorrow."

Security American Life of Memphis has been licensed in California.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ACTUARY

A national Pension Consulting Firm has attractive position open in Midwestern metropolitan city for Actuarial Student. Excellent opportunities for advancement. Previous Pension experience desirable but not necessary. Submit details relative to education and work history to Box H-87, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACCIDENT AND HEALTH UNDERWRITER

Individual policies. 2 or more years experience. Advancement Opportunity. Old mid-western company. Reply Box H-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

HOME OFFICE FIELD SUPERVISOR

Life Insurance company desires Home Office Field Supervisor. Must have successful personal production record in a Career Agency Operation. No management experience required. Will be trained for position as Superintendent of Agencies or Associate Branch Manager. Salary \$5000 to \$6000 per yr. Reply confidentially to Box H-21, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

CAREER MANAGEMENT OPPORTUNITY

Company desires a state manager for the states of North Carolina, Pennsylvania, and Georgia. Need not be located in state. Must be well versed in LIAAMA training and supervisory methods. Excellent salary, plus liberal overrides. Replies held in strictest confidence. Address Box J-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE QUALIFIED INSURANCE ACCOUNTANT

Professional accounting background, specializing in insurance. Comprehensive knowledge Life, Fire, Casualty annual statements. College degree equivalent. Capable supervisor. Ample experience. Desires career position growing company as accountant-controller with advancement assurance. Southeast preferred, other areas considered. Reply Box J-5, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXCEPTIONALLY QUALIFIED

Agency man desires position as Resident Regional Superintendent of Agencies. If you need a solid successful man to establish, build and supervise agencies, let's negotiate. Very familiar with Minnesota, Iowa, Missouri, Nebraska, So. Dakota and Colorado. Write Box J-6, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY WANTED by Young Life Insurance Co.

Outstanding opportunity for ambitious man with Actuarial education and at least 3 or 4 years experience with a life company. Full charge of Home Office operation with prospects for presidency as soon as qualified. Reply: Room 2018, 55 East Washington St., Chicago 2, Ill.

Multi-Corporate Variable Annuity Setup No Longer Seen SEC Goal

(CONTINUED FROM PAGE 1)

order, judgment, or decree which may be entered in Securities & Exchange Commission vs Variable Annuity Life Ins. Co. of America, civil action, File No. 2549-56, United States district court for the District of Columbia, shall not have the effect of making it unlawful for any person named in or otherwise subject to such decree (or any company of which such person is an affiliated person) to serve or act in the capacities and positions referred to in the introductory clause of section 9(a).

Denies Misconduct

The litigation which culminated in the decision of the Supreme Court involved issues of great national importance and presented serious and difficult questions of statutory construction. Two lower courts and four justices of the Supreme Court agreed with the position advanced in good faith by applicant. In such circumstances, no misconduct is involved which would justify imposition of section 9 disqualification on the persons concerned or an affiliated company of such persons.

Section 17(a)(3). As noted, variable annuity contracts issued and to be issued by VALIC include a provision permitting loans to the extent of the lesser of the cash value of the policy at the time of the loan or the total of premiums paid to date. Such contracts may be issued to affiliated persons of VALIC including officers and directors thereof, and affiliated persons of such affiliated persons of VALIC.

No Privilege Sought

Exemption is requested to the extent necessary to permit the making of such loans to such persons on a basis no more favorable than that applicable to other contract-holders. The loan privilege would be exercisable pursuant to a standard, non-discriminatory contract provision based on cash value, and would not involve practices of the sort intended to be covered by section 17(a)(3).

Exemption from section 17(a)(3) is also requested to permit VALIC to make loans and advances to general agents, other agents, and employees. The making of such loans or advances is customary in the insurance industry. Thus, agents may be paid in advance a percentage of fees or commissions due. Under certain conditions, direct loans not based on business written might be made; such loans would be secured by an assignment of commissions and a promissory note.

Wouldn't Be Assets

None of such loans and advances would constitute admitted assets of VALIC and they could not be included in the capital and surplus account or included as an asset for reserve purposes. In effect, such loans and advances would constitute a liability of the agent to VALIC representing its stockholders. Such loans would not dilute the value of reserves with respect to VALIC's variable annuity obligations.

Section 17 (D). VALIC proposes from time to time to enter into arrangements with general agents, other agents, and employees of VALIC for bonuses or additional compensation based on volume of sales. Such bonus arrangements are accepted practice in the life insurance industry. No bonuses will be granted which would threaten to impair the financial integrity of the company or

the reserves applicable to VALIC's variable annuity obligations. To the extent that such arrangements may be deemed to fall within section 17(d), an exemption therefrom is requested.

Section 18(f) (1). Under this provision, a registered open-end company may not issue any senior security (except a bank loan for which 300% asset coverage is maintained). The variable annuity contracts issued and to be issued by VALIC insofar as they are securities are senior to the company's outstanding stock. Literal application of this provision would prohibit VALIC from issuing any variable annuity contract.

The issuance of variable annuity contracts does not contravene the purposes of the prohibition in section 18(f) against issuance of senior securities by an open-end company. The concurring opinion of Mr. Justice Brennan in SEC vs. VALIC, 3 L. Ed. 2d 640 observes that the most basic purpose of the provision might be viewed by the commission as the protection of "investment certificate holders from the creation of securities senior to their interests (as well as preventing, in the interest of their purchasers the creation of a class of 'senior' securities which would be senior only to freely redeemable junior securities)," and that "since it is the senior securities here which are the analogs of open-end investment trust certificates, quite the contrary situation might be thought to be presented" (3 L. Ed. 2d 656).

Has Double Protection

The variable annuity contract has the double protection of seniority and redeemability during the pay-in period. Conversely, no unfairness to stockholders is involved since they have acquired their interests for the very purpose of participating in a company issuing such contracts. The interests of the public, of contract-holders, and stockholders would be prejudiced rather

Equitable's 'American Heritage' Series Is First Plunge Into TV

Equitable Society will enter television for the first time this fall with its sponsorship of a series of six dramatic programs on the National Broadcasting network. The program, "Our American Heritage," a dramatic series, will be presented once a month on Sunday evening, 8 to 9 p.m., eastern standard time. The first show will appear Oct. 18, and four of the six shows will be televised in color.

Six vital periods in the nation's past will be dramatized through the treatment of significant events in the lives of six famous Americans. Chosen from a variety of fields, these figures will have in common the fact that their influence was not only felt in their times, but comprised a permanent contribution to America's heritage.

The American Heritage Publishing Co. will contribute the services of its historians and researchers. Through their participation, each program dealing with a specific period and personality will be prepared in collaboration with the ranking expert in that field, such as historian Allan Nevins in the case of John Charles Fremont, and Bruce Catton for the program treating events in the career and times of Gen. Ulysses S. Grant.

than served by application of section 18(f) to bar issuance by VALIC of variable annuity contracts.

The integrity of the contract holders' interest in VALIC will be fully protected under the procedures VALIC by this application has undertaken to follow. Applicant's undertaking to reinsure 100% of the risk under future life insurance policies which it issues removes any practical possibility that the interests of contract holders will be adversely affected by the company's experience with respect to its life insurance business. The reserves for life insurance policies which have been issued by applicant are being maintained in accordance with the life insurance act and are adequate to ensure that any losses with respect to such insurance will not impair the rights of contract holders.

Might Outlive Estimates

With the elimination for practical purposes of any insignificant risk to contract-holders from adverse mortality experience on life insurance, the only material mortality risk to be considered is the possibility that variable annuity contract holders entitled to benefit payments will outlive the actuarial estimates.

As noted, VALIC maintains reserves for variable annuity contracts in the pay-out period based on the Progressive Annuity table at 3 1/2% which exceed the requirements of District of Columbia Code section 35-701. The additional mortality contingency reserve which VALIC maintains is designed to provide against the possibility of an increase in longevity beyond the actuarial determinations contained in the Progressive Annuity table.

Time For Correcting Estimates

Any such increase is likely to occur over a relatively substantial period of time so that the company will be able, if necessary, to meet the situation by making appropriate changes in rate annuity tables used, and size of the contingency reserve. Applicant's undertaking to maintain reserves with respect to its variable annuity contracts in the pay-out period at not less than 125% of the regular reserve required provides a substantial margin of protection against mortality experience adversely affecting variable annuity contract holders.

The interests of contract-holders will be afforded additional protection by the requirements of the life insurance act that a fixed amount of unimpaired paid-up capital and surplus be maintained at all times. Under its present charter VALIC's paid-up capital stock is \$250,000 and the minimum permissible under the code is \$100,000.

Surplus To Be 50% Of Capital

Under District of Columbia Code section 35-50, it is required to have paid-up surplus equal to at least 50% of its capital stock. Accordingly, the present VALIC is required to maintain unimpaired capital and surplus of \$375,000 (exclusive of non-admitted assets).

Under section 35-201 of the code, the insurance superintendent must suspend the license of a life insurance company subject to his jurisdiction when the capital stock has been impaired to the extent of 25%, and unless such impairment is made good within 60 days the company's license must be revoked. Section 35-405 empowers the superintendent to revoke the certificate of authority of a life insurance

Goal

company if it does not have the surplus referred to above or if its authorized capital is impaired.

In addition, section 35-419 authorizes the superintendent to apply to the district court for an order enabling him to take possession of an insurance company's property and to conduct its business if the company is insolvent or has failed to observe a lawful order of the superintendent to make good any deficiency in its capital or surplus. The court may enjoin the company from transacting further business or disposing of its property and may direct the superintendent to conduct its business until it appears that the company may properly resume possession of its property and the conduct of the business. As an alternative, the court may order the superintendent to carry out the liquidation of the business of the company. Finally, section 35-421 authorizes the superintendent to reinstate policy obligations of a domestic life insurance company where its capital has been impaired but it is not insolvent.

Has Ample Policing Authority

The insurance superintendent has ample policing authority to make sure that VALIC maintains required reserves and otherwise complies with the life insurance act. VALIC is required to file verified annual reports on prescribed forms setting forth in detail its true financial condition at the end of each calendar year.

The annual report includes, among other things, a statement of its assets and liabilities, the amount and character of business transacted, losses sustained, money received and expended during the year and other information required by the insurance superintendent (including reserves); the annual statement must be published annually in at least one daily newspaper published in the District of Columbia (section 35-103). The insurance superintendent must annually value the company's reserve liabilities (section 35-701).

Condition Readily Determinable

VALIC must keep its books, records, accounts and vouchers in such manner that its financial condition can be readily ascertained and its required financial statements filed with the insurance superintendent (section 35-539). The insurance superintendent may examine the books, papers, property and affairs of VALIC at any time; in connection therewith he may examine under oath officers and agents of the life insurance company and all persons deemed to have material information regarding the company, and every insurance company is required to produce at anytime designated by the superintendent its books of original entry and all records and papers in its possession relating to its affairs; the superintendent is required to make an examination at least once in three years, and all expenses (excluding salaries) of such examinations must be paid by VALIC (section 35-418). The superintendent has examined VALIC annually since its organization.

Cites Inspection, Auditing Authority

The variable annuity reserves which applicant maintains and will maintain in accordance with this application, the 100% reinsurance program, the minimum requirements of the life insurance act with respect to maintenance of reserves and capital surplus, and the extensive inspection and auditing authority of the insurance superintendent together provide ample protection to contract-

Plan Is Designed For Purchase Of Life Stock

(CONTINUED FROM PAGE 2)

program in a shorter time may make larger payments in multiples of the regular monthly payment. At all times during the program, all shares are held in trust in the name of the custodian or its nominee. Should there be stock dividends, these will be credited to the investors' accounts and any distributions in kind will be sold and the proceeds used to purchase additional shares.

In the prospectus the investor is advised to consider his financial ability to continue his program through periods of low price levels, and it is pointed out that if he terminates his program and the market value of his accumulated shares is less than their cost, he will obviously have a loss. It is also advised that no investor undertake a program unless he intends to complete it, since the major portion of the sales charge is deducted in the first year.

Since securities of leading life companies have increased in popularity at a rapid pace during the past few years, with some of the popularity being attributed to broad interest today in common stock, it is stated in the prospectus that purchase of higher priced life insurance company stocks has been for the most part by wealthy individuals and institutions with the relatively high market price of the shares probably discouraging many small investors. The new program will now make it possible for this group to purchase these stocks.

No Substitutions Will Be Made

The stock programs are for the three insurance companies mentioned only and no substitution will be made. If, however, the shares in question should become unavailable, the custodian agreement provides for substitution of shares of comparable character and quality but only after written notice to investors. The investor then has 60 days in which to terminate his program or authorize the substitution.

Lennon & Co. has been advised by counsel that the programs as such are not a taxable entity, but dividends received on shares are taxable to the investor. Also, the custodian fee deducted from payments to the investors is a deductible tax expense.

Mr. Lennon, who is president of the company, owns all of the stock. He and all of the officers have been in the investment business for a number of years. Offices are located at 750 Main Street, Hartford.

Manhattan Life Six-Month Ordinary Sales Gain 17%, Up 16% In June

Manhattan Life's paid-for ordinary sales during the first six months totaled \$83,698,427, an increase of 17%. Ordinary paid-for volume in June was \$17,270,990, a 16% gain. With group life and wholesale included, total volume for the six months was \$133,401,734, up 18%.

holders against adverse mortality experience.

Such measures make unnecessary and inappropriate imposition of the capital structure requirements of section 18. Accordingly, exemption is requested from section 18 (f) (1) to permit the method of operation described in this application.

The second half of this article will appear in the next issue of The National Underwriter.

Bar Assn. Meet To Include Talks On Welfare Fund Disclosure Act, A&S Law

The American Bar Assn. annual meeting in Miami Beach, Aug. 23-27, will include talks of interest to people in the life and A&S business.

Tuesday afternoon, in the general session of the insurance, negligence and compensation law section, the committee on health and accident law will report on "Misrepresentations, Fraudulent or Otherwise, and the Dilemma of the Claim Man." Robert Muchemore, counsel of Mutual of Omaha, is chairman of the committee. Thomas A. Harnett of the New York law firm of Watters & Donovan is speaker.

At the section's general session Wednesday afternoon, the committee on life insurance law, with Donald Q. Taylor, associate general counsel of Jefferson Standard Life, as chairman, will discuss "The Ramifications of the Welfare and Pension Fund Disclosure Act." Speakers will be John J. Gilhooley, assistant secretary of labor, and Eugene A. Kenney, Washington, D. C.

Michigan Blue Cross Submits Over-65 Plan

A Blue Cross-Blue Shield health plan for persons 65 and over has been submitted for approval to the Michigan department. The plan would provide combined hospital and medical-surgical benefits at a monthly premium of \$8.47.

Coverage would pay for 30 days of ward care, compared with 90 days under minimum Blue Cross plans for younger members. Eligibility for the full 30 days is reinstated, however, if the member has been out of the hospital for at least three months. In such cases, there is a 20% deductible on the first \$500 in costs.

The Blue Shield plan would offer full coverage for surgery, in-hospital care, anesthesia and emergency first aid where the member's annual income does not exceed \$2,500. If income is above this ceiling, services are provided on a "shared cost" basis.

Pre-existing conditions would be covered after a member has been enrolled for six months. If approved, the plan will be offered on an individual enrollment basis in the fall.

CROWN LIFE OF CANADA'S

new P/S rates

make Executive Whole Life the finest
Guaranteed Rate Plan available to your clients

Look at these rates* . . .

| Age 25 | Age 35 | Age 45 | Age 55 |
|---------|---------|---------|---------|
| \$12.59 | \$17.64 | \$26.49 | \$41.55 |

Plus P/S \$7.50 annually per policy regardless of amount

Crown's new . . . All new . . .

Executive Preferred Life now gives the "Par"
buyer—bargain rates and low continuing cost

Look at these rates*

| | Age 25 | Age 35 | Age 45 | Age 55 |
|-----------------------------------|---------|---------|---------|---------|
| Initial | \$13.35 | \$18.63 | \$28.45 | \$45.32 |
| Ultimate in 3 years | \$15.60 | \$21.07 | \$30.74 | \$47.23 |
| 3rd Year Div. (not guaranteed) | \$ 2.35 | \$ 2.72 | \$ 3.71 | \$ 5.85 |

Plus P/S \$7.50 annually per policy regardless of amount.

Commissions . . .

Crown gives the best value to the consumer, including fair and equitable commission remuneration to ensure the client of continuing service and counsel.

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Call Crown First
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Please send me the Brokerage Life Kit, including your full P/S Rate Book.

Name _____

Address _____

City _____ Province _____

Springfield-Monarch Bases Marketing On Full Multiple Line

(CONTINUED FROM PAGE 2)

lie in the 34 million economic units in the U.S. with incomes between \$3,000 and \$15,000 a year. These represent 64% of all spending units and 81% of the total money income of families and individuals. The companies found from latest available figures that less than 9% of the total income of families and individuals was received by the 900,000 spending units in the \$15,000 and over income bracket. At the other end of the economic scale, only a little more than 10% of total income is received by economic units with less than \$3,000 a year income. The middle group pays well over half the entire premium income to all types of insurers.

Springfield-Monarch does not intend to neglect the market comprised of those with incomes of less than \$3,000 or more than \$15,000, but it intends to concentrate where potential returns are greatest.

Having analyzed modern markets in their recently established market research department, the companies next recognized that plans must be predicated on what is best for the customer. Insurance has been line-oriented rather than customer-centered. Pro-

ducers have tended to specialize in the sale of one or two lines to a heterogeneous market, rather than to provide comprehensive protection to a homogeneous class of customers with common protection needs. This has frequently resulted in a lack of balance in the distribution of a family's insurance budget. It may be over-insured in some lines and under-insured in others. A single adviser, well qualified in all personal coverages, could rectify this situation, the companies felt.

More Efficient Service

Springfield-Monarch, of course, realized that many producers have long been able to provide complete insurance programs for a typical family by using several companies in their offices. This, however, is a far cry from integrating a protection program through one insurer. Springfield-Monarch's position is that integrated organization can more effectively administer a complete program than can a producer who attempts to provide a protection plan by the sale of separate policies underwritten by unrelated companies, that only a multiple line

company can achieve the economies and fast service made possible by modern data processing, machinery and methods, with centralized control of the entire administrative procedure.

The group thus aims for the maximum of personal service and selling on the one hand, and effective, economical administration on the other. The benefits to insured, agents and company are obvious. The professional agent selling a personal protection plan tells the prospect that he has just two things to insure—his income and his property. To protect these, a basically simple program, including life, disability, homeowners, and comprehensive automobile protection, is necessary.

Won't Limit Itself

Springfield-Monarch has no intention of limiting itself to the sale of basic personal protection plans. It believes that the agency force will tend to develop into "generalists" and "specialists." The generalists will sell the personal plan, while more complex problems will be met by specialists who will sell industrial property and liability insurance, fidelity and surety bonds, business life, group, and group pensions. The generalist who encounters protection problems he can't solve may bring them to the attention of the appropriate specialists. In all likelihood, a generalist might qualify as a specialist in a certain line in which he has particular interest and ability.

Sale of a basic family program, of course, will lead to opportunities for sales in other lines. The business man who is impressed by the logic, common sense and economy of a well conceived family protection plan, placed through a professional agent in an integrated insurer, will be favorably disposed towards the same procedure in placing his business insurance. The converse will also be true.

There are many practical examples of Springfield-Monarch action, based on the marketing philosophy it has adopted and on current competitive developments. A case in point is found in Mr. Howland's reference to a report of Life Insurance Agency Management Assn., covering life agents in Chicago, Philadelphia and Denver. It was found that 67% of the Chicago group and 33½% of the life agents in Philadelphia and Denver were licensed for fire and casualty. In Chicago, of 488 life agents responding to the survey, 25% obtained 20% or more of their income from the sale of fire

and casualty. The group concluded that the best service it can perform for its agents is to train and equip them to write all lines, through either the general lines agency, or the highly departmentalized agency that is staffed with various specialists. Accordingly, a full scale training program is in progress, and from early returns, it is obvious that many agents agree that this is a good idea.

Numerous Sessions For Agents

The companies have been holding numerous training sessions for Springfield F&M. agents throughout the country. In these sessions, concentration is primarily on A&S and business life. Furthermore, Monarch Life runs schools for advanced life training.

The companies believe that what is good for the agent is also good for its fire and casualty field men who are taking a 44-week correspondence course in life underwriting. As an example of the intense interest in this Charles E. Hall, Buffalo special agent, completed this difficult curriculum satisfactorily in record breaking time. Plans for training agents of the companies in fire and casualty sales are also contemplated. Courses will include personal lines, commercial lines for the professional risk, commercial lines for small business and for large risks. This training program is projected two years ahead.

An outstanding example of the practical combination of Springfield-Monarch's multiple-line facilities is the "Homesaver" plan which in essence is the addition of mortgage life and disability to homeowners protection. The group's sales approach on this is most effective. It points out that disability and death are even greater threats than disaster to property. One of four homeowners is disabled every year and one of six will die before the mortgage is paid off.

Powerful New Sales Tool

This is a powerful sales tool for the fire and casualty agent. In a hypothetical case, a 32 year old man who bought a home three years ago with a \$12,000 mortgage at 5% has monthly payments of \$80. For \$7 a month, for example, he can make his homeowners plan into a homesaver plan and be sure that while he is disabled he will receive a monthly check to continue payments on his home for the full term of the mortgage after being disabled a specified number of days. In the event of death, his beneficiary will receive the monthly check or a lump sum to pay off the mortgage.

The companies have recently introduced in California the S-M Auto-pol-

all the evidence
points to...

SUCCESS
FOR YOU
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cy. It is being offered to all Springfield-Monarch producers. The S-M Auto-policy for private passenger cars provides broad form protection and offers such extras as death benefits, automatic compliance with financial responsibility requirements, diminishing collision deductible, waiver of deductible and a number of other extensions of coverage. It is written on a continuous basis, renewable annually or every six months, with discounts running as high as 30% off the basic manual rate charged for the narrower family automobile policy. A signed application is required. The payments may be budgeted under the companies' new SysteMatic premium payment plan. The policy offers better than average driver. To a safe driver, it offers reduction in premium coupled with broad form protection. The group will bill insured direct at the option of agents.

Springfield-Monarch is not abandoning the family automobile policy which remains one of its mainstays. However, it is meeting the need for special consideration for safe drivers with relatively low exposure. The companies have not introduced this policy simply because of the recent and allied developments in the merit rating field. The S-M Autopolis is not a stop gap attempt to adjust to competitive circumstances. It was adopted after many months of independent study, research and experimentation. It was designed to meet problems existing and anticipated in the sale of automobile insurance and it typifies the type of competitive weapon the company intends to adopt as its standard for future operations.

Budget Plan Features

SysteMatic—the companies' new monthly budget payment plan—offers insured the choice of making payments by use of a coupon book or by having the company draw a pre-authorized check on his checking account for the premium due, thus relieving him of the monthly bill paying chore. In the latter case, the company deposits the check on the payment due date. The cancelled check is insured's receipt. He is furnished with a "checkbook reminder" which shows the monthly payment and the date (first or 15th of the month) on which the check will be drawn. A new reminder form is sent direct to insured whenever the amount of the monthly check changes.

SysteMatic is believed to be the first monthly payment plan to offer a pre-authorized check method of payment for property and casualty as well as life and A&S premiums. The plan gives agents full term commissions on property and casualty policies. The customary premium note is completed when such policies are involved. An agreement form is used when only life and A&S policies are included.

Easy For Agent To Operate

SysteMatic features ease of operation for the agent and elimination of detail and trouble for insured. It is extremely flexible and does not require cancellation and rewriting of existing policies in order to avoid more than one coupon book or more than one monthly payment requirement. Unlike a number of the monthly payment plans, under SysteMatic, installment and deferred premium payment plan policies may be included. Odd term policies of over a year may also be included.

To be eligible, an account must have total payments of at least \$10 a month. Each life policy must have a monthly premium of at least \$8 and

A&S policies must have a quarterly premium of at least \$5. The company must approve inclusion of any policies with a full term premium of more than \$5,000.

After down payment on one and three year property and casualty policies, the monthly payments are equal and continuous until such time as the rate or the policy amount changes. Thus, there is no need to disturb insured with renewal down payments or frequent revisions of payment amounts. Although monthly payments are also equal on odd-term and five year policies, the continuous feature does not apply, and it is necessary to collect a down payment at each renewal.

Coordinate Entire Program

For insured, the plan coordinates the entire protection program; eliminates need and expense of drawing separate checks; gears insurance costs to the monthly budget; provides for monthly payments on life at semi-annual rates and for A&S at quarterly rates.

For the agent, the plan increases sales; prevents loss of business on renewal; reduces flat cancellations; eliminates the need for extending credit; and cuts down detail and expense of collections.

C. Hohman Mahn, sales manager of the eastern department, has vividly pointed up the companies' modern marketing approach. He said that years ago, companies concentrated almost exclusively on financial stability, fair loss adjustments, and honorable associations with agents. Not too much attention was given to sales methods and procedures, particularly in the fire business. Today, however, a well conceived sales program is a must.

Springfield-Monarch seems to be filling this prescription successfully. It has held fast to its underwriting principles and fair claims practices and it continues to follow its long established conservative investment program. But now it has also placed primary emphasis on sales. In so doing, it has opened up for producers new production frontiers and is giving them all the necessary tools to provide professional agency service.

Mutual Benefit Life

Agents' Committee Elects

Edward P. Warren, general agent at Cleveland, has been elected chairman of the new Agents Advisory Committee of Mutual Benefit Life. Other committeemen are Herbert W. Humber, San Francisco; Emanuel F. Gonzales, Grand Rapids; Don B. Murphy, Peoria; Don W. Robinson, Detroit; J. Darrel Turner, Los Angeles; Seymour C. Block, New York, and Kenneth Troy, New York.

The committee will meet at the home office Sept. 9-11.

Massachusetts Mutual First Half Sales Are A Record \$642,217,000

During the first half of 1959, Massachusetts Mutual's combined group and individual sales totaled \$642,217,000, a record and increase of 17.2%. Individual sales amounted to \$546,432,000, a gain of 16.7% and the first time Massachusetts Mutual individual sales passed the half-billion mark in a half year period.

Group sales rose 19.7% from a volume of \$80,019,000 reported in the first six months of 1958. Group A&S premiums increased 20% and the number of plans installed gained 30%.

Total premium income climbed some 8½%.



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